



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: FULL-SIZED PROJECT

TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT INFORMATION

Project Title: Seychelles' Protected Areas Finance Project			
Country(ies):	Seychelles	GEF Project ID:	5485
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4656
Other Executing Partner(s):	Ministry of Environment, Energy and Climate Change (MEECC) in close collaboration with Seychelles National Parks Authority (SNPA), Seychelles Island Foundation (SIF) and Ministry of Finance, Trade and the Blue Economy (MBTBE), plus selected CSO partners	Re-submission Date:	December 01, 2015
GEF Focal Area (s):	Biodiversity	Project Duration (Months)	5 years
Name of Parent Program:	n/a	Project Agency Fee (\$):	263,806

A. FOCAL AREA STRATEGY FRAMEWORK

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
BD 1: Improve Sustainability of Protected Area Systems	Outcome 1.2: Increased revenue for protected area systems to meet total expenditures required for management.	Output 3. Sustainable financing plans (5 plans, as per log-frame indicator #5)	GEF TF	2,776,900	15,013,654
Total project costs				2,776,900	15,013,654

B. PROJECT DESCRIPTION SUMMARY¹

Project Objective: To improve the financial sustainability and strategic cohesion of Seychelles protected area system while also dealing with emerging threats and risks to biodiversity in a shifting national economic environment.

Project Component	Grant Type ²	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
1. Enabling planning and legal framework for an improved use of existing and new PA finance	TA	Protected Area (PA) investment is fostered and capacity for PA management, at site, institutional and systemic levels, is improved for directing the long-term sustainable financing of the PA system and generating conservation benefits.	1.1 A PA System (PAS) Financing & Investment Plan for Seychelles is adopted at the national-level, along with subsidiary investment plans at the site of sub-system levels, and these become a key instrument for implementing the 2013 PA Policy 1.2 Site-level cost-effectiveness and conservation-effectiveness benchmarks are established to guide decisions on investment, co-management, delegation and cross-subsidization 1.3 An adequate legal framework is emplaced for implementing the PAS-wide investment program with a multi-funding approach, adaptable to each PA	GEF TF	605,933	4,094,000

¹ With respect to 'Expected Outcomes' in this table, see Outcome (and Objective) level indicators in the Strategic Results Framework in the UNDP PRODOC.

² TA includes capacity building, and research and development.

Project Component	Grant Type ²	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
			1.4 Institutional capacity-building of SNPA and other key PA managing entities for the implementation of the Seychelles PA System Financing & Investment Plan in enhance			
2. Increased and more reliable revenue generation for PA management	Inv	The overall ability of the PA system to generate reliable revenue is improved, both in view of improving its overall management effectiveness and of catering for the needs of an expanded estate.	2.1 Institutional and policy barriers for an effective site-level revenue generation, collection and retention into the PA system are lifted, creating better conditions and incentives for reducing the PA finance gap 2.2 Essential touristic or other relevant infrastructure in selected PAs are developed and new cost-effective practices, systems and schemes are implemented, all with the aim of making these PAs more attractive to visitors, increasing their own revenue generation capacity, while safeguarding and protecting their conservation value 2.3 The operationalization of planned and possibly other relevant innovative funding mechanisms (such as the SCCAT to be created in connection with the debt-for-nature swap initiative) makes clear provisions for biodiversity considerations, in particular to address the PAS financing gap	GEF TF	2,039,067	10,049,654
Subtotal					2,645,000	14,143,654
Project Management Cost (PMC)				GEF TF	131,900	870,000
Total Project Cost					2,776,900	15,013,654

C. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Cofinancing Amount (\$)
Private Sector	North Island Seychelles	Cash	226,981
Private Sector	Banyan Tree Seychelles	Cash	184,000
Foundation	Seychelles Island Foundation	In-kind	1,400,000
Private Sector	Denis Private Island	Cash	182,413
Foundation	Green Island Foundation (GIF)	Cash	90,260
CSO	Marine Conservation Society of Seychelles (MCSS)	Cash	160,000
National Government	Ministry of Environment, Energy and Climate Change (MEECC)	Cash	7,000,000
CSO	Nature Seychelles (NS)	Cash	1,570,000
National Government	Seychelles National Parks Authority (SNPA)	Cash	3,200,000
CSO	The Nature Conservancy (TNC)	Cash	1,000,000
Total Cofinancing			15,013,654

D. TRUST FUND RESOURCES (\$) REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount(\$) (a)	Agency Fee (\$) (b) ²	Total (\$) c=a+b
UNDP	GEF Trust Fund	Biodiversity	Seychelles	2,776,900	263,806	3,040,706
Total Grant Resources				2,776,900	263,806	3,040,706

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

² Indicate fees related to this project.

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	460,000	170,246	630,270
National/Local Consultants	184,150	128,404	312,554

F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF

For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question.

A summary of what changed since the PIF is provided below.

Original project design in PIF	Adjustment/improvement made at CEO Endorsement
<u>Allocation of GEF resources per component:</u> Comp. 1) \$600K Comp. 2) \$1,045K Project Management: \$132K	Detailed budgeting carried out in connection with the PRODOC development resulted in small changes to proportions (plus \$5,933 in Component 1 and less same amount in Component 2). Project Management costs remained unchanged.
<u>Total co-financing foreseen:</u> \$12,050,000	<u>Total co-financing effectively mobilized:</u> Increased to \$15,013,654, surpassing the target by some \$3M, with a wider range of civil society and private sector co-finance partners now included. The allocation of co-financing resources per component has been re-balanced according to the relevance of partners’ contributions.
<u>Project Sites:</u> Only indicatively defined and with respect to Output 2.2.	Various partners were consulted and requested to make proposals that would address the themes under the different outputs. Most proposals for site-level work is under Output 2.2, but one partner (MCSS) proposal focuses on Output 1.3, which as to do with innovative funding mechanisms. The quick overview of site level work per partner is as follows: <u>Seychelles National Parks Authority (SNPA):</u> Morne Seychellois, Praslin National Parks, La Digue Veuve, Curieuse, Iles Cocos, Silhouette Island National and Marine Parks (at the later, in partnership with ICS) <u>Seychelles Island Foundation (SIF):</u> Aldabra House on Mahé <u>Department of Environment (DoE):</u> Recif Island Special Nature Reserve

Original project design in PIF	Adjustment/improvement made at CEO Endorsement
	<p><u>Nature Seychelles (NS):</u> Cousin Island Special Reserve <u>Green Islands Foundation (GIF):</u> North Island and Denis Island</p> <p><u>Marine Conservation Society of Seychelles (MCSS):</u> Temporal Marine Protected Area</p>
<p><u>Project Strategy:</u> Outputs described with some indications on activities.</p>	<p>Through site visits, stakeholder consultation and national validation, the project strategy is now fully developed and activities described.</p> <p>In particular, the project strategy is to engage a variety of stakeholders in improving the financial sustainability of the protected area system, either <u>at the system’s level</u> (with government entities MEECC, SNPA and MBTBE in the lead, working together with CSO partners such as MCSS and TNC), or <u>at the site level</u> (with SNPA, DoE, Seychelles Island Foundation (SIF) and plus selected CSO partners</p> <p>The formulation of Outputs is somewhat different, but Outcomes remained unchanged. The most significant changes are:</p> <p><u>Output 2.2 changed its formulation in a tangible way.</u></p> <p>At PIF stage, the focus was on making a GEF contribution to “<i>establishing and renovating essential touristic infrastructure in key government-managed PAs, according to needs and impact assessment studies, and with the aim of making these PAs more attractive to tourists and increasing their own revenue generation capacity</i>”.</p> <p>At CEO Endorsement stage, Output 2.2 now reads: “<i>Essential touristic or other relevant infrastructure in selected PAs are developed and new cost-effective practices, systems and schemes are implemented, all with the aim of making these PAs more attractive to visitors, increasing their own revenue generation capacity, while safeguarding and protecting their conservation value</i>”.</p> <p>As designed at CEO Endorsement stage, Output 2.2 includes a stream of activities that are like ‘mini-projects’ within themselves presented in detail in the Project Strategy contained in the UNDP PRODOC. These are aimed at building and renovating infrastructures and introducing new cost-effective practices, systems and schemes, all aimed at making sites more attractive to visitors and increasing their own revenue generation capacity.</p> <p>Hence, it is not only infrastructures, but also a different way of ‘doing things’, i.e. different practices in PA management, e.g.: the “Voluntourism” proposal by NS, or the conceptualization of the Aldabra House by SIF, as well as the enhancement of PPP opportunities at Curieuse Island Marine and National Park by SNPA.</p> <p>The idea behind the output is essentially the same – to develop work at site level with a focus on improving PA finance. However, not only government sites and partners will benefit. Several PA managing entities will have the opportunity to enhance and demonstrate work that contributes to the goal.</p> <p>A total of 14 activities are foreseen under Output 2.2, under the responsibility of: SNPA (and part of it in collaboration with ICS), SIF, NS, GIF and MEECC/DoE (the latter is the implementing partner for the project). Refer to PRODOC for thorough descriptions and for an extended explanation of the theory of change behind it, as</p>

Original project design in PIF	Adjustment/improvement made at CEO Endorsement
	<p>response to a comment from the GEF Secretariat in its review.</p> <p><u>Output 2.4 was dropped</u>, because it seemed to overlapped with 1.4, which had a broader capacity building focus.</p> <p><u>Output 1.4 changed its formulation slightly. Both now include a shift to the Financing and Investment Plan concept.</u></p>
<p><u>Risk Analysis:</u> Cursory analysis based on assumptions and with limited stakeholder consultation.</p>	<p>Thorough risk analysis was carried out and the corresponding management response has undergone stakeholder scrutiny.</p> <p>Also, potential risks and impacts related to (i) climate change and (ii) Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas have been considered.</p> <p>For more details, refer to PRODOC section 2.3.6 <u>Risk Analysis</u> and to PRODOC <u>Annex 7</u>, showing the application of the <u>Social and Environmental Screening</u>.</p>
<p><u>Other aspects</u></p>	<ul style="list-style-type: none"> • Strategic Results Framework with indicators is now fully developed • Management arrangement agreed upon • Project consultants' TORs developed • The project's synergies with other initiatives are more thoroughly described, in particular with BIOFIN

A.1 National strategies and plans or reports and assessments under relevant conventions

This project is fully consistent with, and supportive of, national development strategies, policies, plans, reports and assessments with respect to biodiversity, the CBD and protected areas more precisely – exactly as indicated at PIF stage. The analysis of the policy framework has been refined at CEO Endorsement stage.

Refer to PRODOC sections 1.2.5 Policy, legislative and regulatory context and 2.3.2 Country ownership and the project's policy fit. Additionally, see also PRODOC Annex 6: Analysis of Policy, Legislative and Regulatory Frameworks.

Herein PRODOC section 2.3.2 is reproduced, along with specific paragraphs from section 2.3.7 Synergies:

The Government of Seychelles signed the United Nations Convention on Biological Diversity (CBD) on 11 June, 1992 and ratified it on the 7th of October, 1996. The Fifth National Report (2014)³ has been prepared by the country in conformance with COP 8 decision VIII/14 of the CBD.

The mentioned CBD report confirms the high priority placed by the Government of Seychelles to the establishment and management of a PA system as an effective mechanism for the in situ conservation of biodiversity (Article 8 of the CBD).

The project will contribute to the objectives of the Seychelles Sustainable Development Strategy 2012-2020 (SSDS). Under the Biodiversity, Forests and Agriculture Thematic Area, the project will support:

- Objective 1.1 to control invasive exotic species;
- Objective 1.3 to develop management systems for outer islands;

³ <https://www.cbd.int/doc/world/sc/sc-nr-05-en.pdf>

- Objective 2.1 to initiate assessment and taxonomic survey of key biodiversity; and
- Objective 2.2 to establish monitoring and data management systems.

Seychelles recently prepared National Biodiversity Strategy and Action Plan 2015-2020 (NBSAP-2), is a framework document for Biodiversity management in Seychelles, to meet the process requirements of CBD's COP-6 and COP-9 (in its decision IX/8), and specifically to align with the CBD COP Decision X/2 (Strategic Plan for Biodiversity). Specific fit to Aichi Targets is provided in PRODOC Table 13 (Project Fit with the Aichi Biodiversity Targets).

This project is also convergent with other initiatives in the biodiversity sector including NBSAP planning and the Biodiversity Finance (BIOFIN) Initiative, in which UNDP is involved. The latter in particular identifies a thorough analysis of costings of the country needs for actually implementing the policy guidance contained in the NBSAP. More specifically this implied presenting a clear picture of current expenditures plus a costed list of unmet needs, leading to the definition of a resource mobilization strategy for biodiversity management, of which the sustainable financing of the PAS is part and parcel. (Refer to [section 2.3.7 Synergies for more information](#)).

NBSAP-2 implementation will be led by MEECC and will be “nested” within the proposed SSDS framework. A proposed stakeholder forum termed “The National Biodiversity Partnership Forum” will support with oversight. Moreover, the NBSAP addresses also Aichi Biodiversity Targets that consists of overall objectives divided into five strategic goals, from addressing the underlying causes of biodiversity loss to promoting its benefits. The project will use the mentioned forum for consultation on PA finance discussions.

The project will assist the government in achieving a number of the “specific objectives” in the draft *Seychelles' Protected Areas Policy*, namely: 1) create conditions to effectively conserve 50% of national terrestrial areas and effectively conserve and manage 20% of marine area within the EEZ; 2) establish and implement effective mechanisms for private sector, NGOs and community involvement and engagement in the planning and management of protected areas; 3) develop and implement effective capacity development programme to strengthen the management of PAs; 4) provide for the restoration of degraded habitats and ecosystems of historical important biodiversity areas and put into place measures to prevent further degradation; 5) maintain and enhance terrestrial and marine ecosystems to guarantee long term ecosystem services; and 6) minimise and mitigate the impacts of climate change by maintaining the integrity and functions of ecosystems.

The project will directly contributes to policy objectives and proposed actions in Seychelles' NBSAP-2, as they relate specifically to PAs: (i) ‘Consolidating the existing system of PAs, improve knowledge of appropriate classification, configuration and design, and develop, where necessary, legislation, guidelines, systems plans and management plans’; and (ii) ‘Ensuring wider participation in planning and management of PAs, with opportunities for the involvement of NGOs, district-based organisations and the private sector as well as international organisations’. In addition, the project also contributes to at least three of the NBSAP-2's four Strategic Goals, as follows:

- #1: Conserve and manage terrestrial and aquatic biodiversity to ensure sustainable use and equitable benefits to the people;
- #4: Build partnerships and integrate biodiversity into all national development frameworks; and
- #2: Improve our understanding of biological diversity and ecosystem functioning in a changing environment.

PRODOC Table 13 (Project Fit with the Aichi Biodiversity Targets) provides the an overview on how the project strategy contributes to the achievement of the Aichi Targets

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities

The links to the GEF focal are strategy where thoroughly described in the PIF and remain valid – hence, **not applicable (NA)** / will not be repeated here. They are included in PRODOC section 5.1 [Programmatic Links](#)

A summary of eligibility criteria and priorities is provided in the section above.

Refer also to PRODOC section *2.3.2 Country ownership and the project's policy fit*. Additionally, see also PRODOC *1.2.5 Policy, legislative and regulatory context* and *Annex 6: Analysis of Policy, Legislative and Regulatory Frameworks*.

A.3. The GEF Agency's comparative advantage

NA (No changes since PIF approval.)

A.4. The baseline project and the problem that it seeks to address.

The UNDP PRODOC provides a country-specific analysis on underlying financial, economic and policy drivers behind the current situation of chronic financial deficit in the PA system. The project justification is underpinned by technical reports, contextual analysis and application of the Tracking Tool, in particular the Financial Scorecard).

The problem that the project seeks to address is thoroughly described in the PRODOC, in particular in Chapter 1 – *Situation Analysis* and Chapter 2 – *Project Strategy*.

A summary of the overall strategy is provided in [Part I, Table B](#) of this document. It is summarized in narrative form below.

The Seychelles consist of over 100 islands of granitic and coralline origin with a total land area of 455 km² and a coastal length of 151 km. Coral reefs surround the granitic islands. Coral islands are rich in marine life, and due to their size and homogeneity are considered part of the coastal zone.

Tourism and fishing are the main industries, with light manufacturing and service sectors also contributing to the economy. Tourism employs 40% of the work force and provides the population with 60% of foreign currencies. The country's tourism industry and socio-economic development mainly depends on its environment, more specifically its unique biodiversity and its high landscape value.

The needs to extend Protected Areas and to strengthen the Protected Areas System are stressed in the 2013 PA Policy. Seychelles is in the process of operationalizing a major PA expansion on the basis of the new PA Policy.

The project aims at securing the financing for PA more sustainably and it is organized into two components:

- The first component of the project is focused on enabling planning and legal framework for an improved use of existing and new PA finance. This component will support the Government of Seychelles, SNPA and other entities managing PAs in evaluating the financial performance of the PAS, determining financial gaps and identifying opportunities for improving overall functionality of both the current and the proposed expanded PA estate. It focuses on the delivery side of the conservation equation. Under this component GEF funding will be used to develop a national PAS Investment Plan and site-level PA Financing Plans. GEF resources will also be used in this component to strengthen the financial management capacities of the national PA managing entities in order to reduce cost-inefficiencies, improve revenues and develop mechanisms for revenue-sharing.
- The second component of the project is focused on increasing and securing revenue generation for PA management. The project will improve the financial sustainability of the PAS and the individual PAs to ensure that they have adequate financial resources to cover the full costs of their management at an optimal level. Among other things, GEF resources will be used to support the building and renovating of infrastructures, introducing new cost-effective practices, systems and schemes, all aimed at making sites more attractive to visitors and increasing their own revenue generation capacity.

Thorough site-level and PA finance assessments, using the SO1 Tracking Tool, have been carried out in connection with the project.

For an analysis of **the baseline project**, refer to PRODOC section 1.4 *Baseline Analysis*.

For more info on the context, see also: the following sections:

- 1.1.1 *The development context of the project.*
- 1.2 *Issues being addressed by the project*
- 1.3 *Barrier analysis and long-term solutions*
- 1.5 *PA Stakeholders' Financial Analysis*

A. 5. Incremental /Additional cost reasoning

The development and financial baseline for each of the components, and the adaptation alternative facilitated by the project are thoroughly described in the PRODOC in section 2.2 *Project components, outcomes, outputs and activities*, which also presents how the expected outcomes will be achieved.

The Incremental cost reasoning is presented in matrix form in PRODOC *Annex 4*, reproduced below.

Current Baseline

Current baseline investment is insufficient to manage the current PA system effectively and lacks the diversified and innovative approaches needed to support expansion of the system. Only two PA sites (under SIF) regarded as managed to even a moderate level of conservation effectiveness.

The financial gap across the PA System is significant and risks becoming pervasive. PA finance sustainability is low, and, in general terms, so is the management effectiveness of PAs. This has been evidenced by the application of the SO1 TT, which shows that the PA finance gap is significant. Across the six main PA sub-system, the gap reaches \$2.7 million for a basic management scenario, or 51% of total finances available to the PAS, or \$6.7 million for an optimal level of management, representing or 124% of total finances available to the PAS

Financial baseline [A]: Approximately \$5 million per year, reaching some \$25 million over the next 5 years, if the status-quo is maintained. Of these, approximately \$8.8 million is baseline funding that contributes to the co-financing of the project.⁴

Alternative

The project will put in place a consolidated framework for the financial and operational efficiency and coherence of the current disconnected assemblage of PAs and aligning management standards and efficiencies across its constituent PAs in the national System: (i) leveraging conservation finance through financial planning, the introduction of cost-effective management measures that guide decision-making and increase revenue generation, and put into place a legal and management framework to secure new financing instruments; and (ii) addressing the capacity barriers that impede revenue mechanisms and on-site revenue generation, including supporting PAs to expand revenue collection schemes and re-invest their own revenues, testing of new resource generation mechanisms, including a Trust Fund to handle investment under the Debt-for-Nature Swap.

Cost of the alternative [B]: Approximately \$34.0 million

Global Biodiversity benefits

The ability of the PA system to generate, retain and manage revenue for conservation effectiveness—and thus support its mandate of protecting the terrestrial and marine ecosystems of Seychelles—is increased.

Terrestrial PA area increased from 39% to 50%, and conservation effectiveness increased from low to moderate/high, safeguarding 7,200 terrestrial species with levels of endemism between 45% and 80%.

⁴ Includes co-financing from MCSS (at \$160K), MEECC (at \$7,000K) and NS (\$1,570K), totaling \$8,770K or \$8.8M which were considered in the baseline calculation. All other co-financing has been leveraged by the GEF project.

Marine PA area increased from <1% to 15%, and conservation effectiveness increased from low to moderate/high, enhancing protection of at least 1,000 reef fish species, important pelagic fisheries, ocean areas used by 19 whale species, 7 dolphin species and 4 turtle species (3 red-listed). Conservation concerns are mainstreamed into the nascent operations of the oil and gas sector in Seychelles.

Increment [B-A]: The cost of achieving global benefits are approximately \$9.0 million (i.e. GEF funds of \$2.8 million, plus non-baseline co-financing of \$6.2 million).

[A]	<i>Financial Baseline:</i>	\$25.0
[A']	<i>Baseline funding that contributes to project co-financing</i>	\$8.8
[B]	<i>Cost of the alternative, also calculated as: [A+C+D-A']:</i>	\$34.0
[B-A]	<i>Increment [B-A]:</i>	\$9.0
[C]	<i>GEF:</i>	\$2.8
[D]	<i>Co-financing</i>	\$15.0
[D-A']	<i>Co-financing net of baseline</i>	\$6.2

A.6. Risks

A more thorough risk analysis than that of the PIF has been carried out during the PPG. It is presented in PRODOC section 2.3.6 *Risks and Safeguards*, reproduced in summary form herein. Refer also PRODOC Table 14, reproduced below.

PRODOC Table 14. Risk Assessment Matrix.

IDENTIFIED RISKS, CATEGORY AND RISK ASSESSMENT	MITIGATION MEASURES
<p>ECONOMIC Although the negotiations for the debt nature swap are successful, the Seychelles Climate Change Adaptation Trust Fund is not established.</p> <p><u>LEVEL:</u> <i>LOW</i></p>	<p>The establishment of the SCCAT is an important element in PA finance matters, but not critical to the achievement of project objective. They are related, but parallel projects/initiatives. Negotiations between the Government of Seychelles and the Club of Paris have reached a positive agreement during the preparation phase of the project and the setting-up of the fund is well advanced in the process. TNC has been advising the Government of Seychelles on the matter. The Government of Seychelles has received positive feedbacks from the Club of Paris. At this writing stage, this risk is considered receding and may even be retired as a risk before project upstart.</p>
<p>STRATEGIC Ongoing conflicts and misunderstandings between public institutions, private sector partners, NGOs and resource users undermine partnership approaches and implementation of cooperative governance arrangements for the Protected Areas System.</p> <p><u>LEVEL:</u> <i>HIGH</i></p>	<p>The project will facilitate the consultative development of a legislative and policy framework related to biodiversity off settings, payment for ecosystem services, public private partnership that emphasizes the critical role of partnerships between governments, civil society and the private sector. The project will strengthen the PA cooperative governance structure proposed under the Protected area policy and help to formalise partnership agreements that more explicitly define the roles and responsibilities of partners in the planning and management of specific PAs. More practically, the project will operationalize an information partners' dialogue forum for keeping communications channels open, and reducing reasons (often found in difficult communication of stakes) and also for conflict mitigation and resolution when needed.</p>
<p>STRATEGIC Government does not support proposals for PA revenue retention, undermining a key element in the project's strategy the effective and strategic use of government finance to PAs.</p>	<p>The low PA revenue retention rate for SNPA was introduced at a time, when government revenues had been severely diminished. This is no longer the case, so a simple change in regulations should be possible, but needs to be properly framed. Such proposal will be presented together with an entire package of capacity building services under the project for improving the</p>

IDENTIFIED RISKS, CATEGORY AND RISK ASSESSMENT	MITIGATION MEASURES
<u>LEVEL:</u> <i>MEDIUM</i>	management and conservation effectiveness of the SNPA
<u>FINANCIAL</u> Downturn in tourist numbers. <u>LEVEL:</u> <i>LOW</i>	Given that the results expected by this project involve funding that comes by and large from the tourism sector, this risk may be low now, as tourism visitation is on the increase. However, the risk should be monitored. The project also includes strategies towards diversifying sources of income to the PAS away from tourism, given the sector's volatility.
<u>Environmental</u> Climate impacts may negatively affect the long-term sustainability PAs <u>LEVEL:</u> <i>LOW</i>	The outcomes of this project are very likely to be affected by climate change; for instance, if endangered species such as whale sharks were to disappear, it could have a major impact on dive tourism revenues, as well as for increasing investment risks since some projections forecast that the country will be under water by 2100. As this is slow-rising risk,
<u>Environmental</u> Potential negative environmental impacts from infrastructural development impacts and increased boat traffic as a direct result of project activities in ecologically sensitive areas <u>LEVEL:</u> <i>LOW</i>	The project will make provisions for potential impacts to be avoided, managed and reduced during the planning, construction and operational phases. All construction, alterations and renovation, along with any water and earth works within PA sites and which can affect these sites foreseen under this project, will abide by the strictest social and environmental safeguards, e.g. by avoiding or minimizing forest clearance, soil disturbance, excessive use of freshwater, and by making use of materials that are adapted and suitable to natural areas. Boat traffic in sensitive areas of the Mahe Plateau should follow strict rules, especially in the presence cetaceans. These standards will be required as part of the procurement and contract monitoring process. Data on location and distribution of endemic and threatened species will be taken into consideration. These are relatively uncomplicated measures that can and will be applied, and which are not expected to over-inflate costs to implementers. Where relevant, and as mandated by law, environmental impact assessment and impact mitigation measures will be applied. In addition, the project will make efforts to independently monitor these environmental in ecologically sensitive areas by working with responsible parties and supporting them every step of the way.

A.7. Coordination with other relevant GEF financed initiatives

No major changes since PIF, only a more complete overview of synergetic activities.

Else, refer to PRODOC section 2.3.7 *Synergies* and to PRODOC Table 16 ad 17, which are reproduced below, which provide more information on it.

PRODOC Table 16. Past, Ongoing or Planned PA-related Projects

Project/Programme	Description	Main Financing Partner
Capacity Building for Sustainable Land Management in Seychelles	Budget 0.45 million USD (2008-2012)	UNDP/GEF
Mainstreaming Biodiversity management into production sector activities	To mainstream biodiversity into fisheries and tourism sector. Running until 2014, with an external budget of 3.6 million USD	UNDP/GEF
Bio-Security Project	To increase bio-security and stop entry of new invasive species. Running until 2013, with an external budget of 2 million USD	UNDP/GEF
Strengthening Environmental Capacity Project (CB2)	To strengthen capacity to implement Rio Conventions. Running until 2013, with an external budget of 0.4 million USD.	UNDP/GEF
Strengthening Seychelles protected	Facilitate working partnerships between government and NGOs in	UNDP/GEF

Project/Programme	Description	Main Financing Partner
areas system through NGO management modalities	the planning and management of the protected area system. Budget 2.1 million USD	
Expansion of Protected Areas to the Outer Islands	Support the Expansion protected areas to Alphonse, Desroches, d'Arros and Faquhar Budget 2 million USD	UNDP/GEF
Small Grants Programme	To support local stakeholders and NGOs to address global environmental issues, with some small grants focusing on biodiversity. Grants are for up to 50,000 USD.	UNDP/GEF
Ecosystem based adaptation to climate change in Seychelles	This programme is under implementation for a total budget of 6.5 million USD	UNDP/Adaptation fund
Climate Change Sector support	2.6 million Euros over 3 years, initial actions include development of education and awareness on climate change, development of an Energy Bill, strengthening the risk disaster management division and the meteorological services See also GCCA+ now under design (Action Fiche is already available)	Global Climate Change Alliance/EU
Disaster Management	Supporting the risk assessment, notably regarding geo-risks and landslides.	World Bank
Climate Change adaptation	Supporting coastal zone management/adaptation to climate change, for approximately 3 million USD over several years, but it is now in the completion phase.	Government of Japan
Mangrove for the future	To support NGOs to address coastal management issues, with some small grants focusing on wetland restoration. Grants are for 25 to 100,000 USD, completion phase	IUCN/NORAD/SIDA/UNDP
Water sector development	Development of a water sector master plan budget Budget 22 million USD	African Development Bank/Agence Française de Développement /European Investment Bank
Coral Reef Rehabilitation	Project implemented by Nature Seychelles on Cousin island Special reserve Budget 500,000 USD	Funded by USAID implemented by Nature Seychelles
Eradication of Avian Invasive Alien Species on Assumption Island	Project implemented by Seychelles Islands Foundation Budget 1million Euro	European Union
Support and implementation of Seychelles' sectoral fisheries policy and maritime policy	Project implemented by Seychelles Fisheries Authority Budget 2.2 million Euros per year (2011-2014)	European Union
Development of Mariculture and Agriculture Master Plan	1 million USD in 2013	African Development Bank
Conserving endemic threatened and evolutionary distinct biodiversity in the Seychelles	Darwin Initiative provides funding for projects that support countries rich in biodiversity (80,000 - 300,000 £) for three years	DEFRA, DFID UK
Research on Marine biodiversity Example 1: Incorporating Reef Fish spawning aggregations into optimal designs for no take fishery reserves Example 2 Research on Demersal fish species	MASMA Grant for up to 200,000 USD for 3 years(2009-2012)	Western Indian Ocean Marine Science Association Supports research projects for budget up to 480,000 USD
SWIOFISH	Governance/ capacity building/ infrastructure development in the fisheries sector 2.5 million USD	World Bank
Data Collection and research on Tuna	100,000 Euros in 2013	Institut de Recherche et Développement/Institut Espagnol d'Océanographie
PANGEA project	Multidisciplinary research on fish Budget 200,000 USD in 2013	
Competitive local innovation for small scale agriculture	2013-2018 3 million USD	IFAD

PRODOC Table 17. Regional Projects

Project title	Period	Area	Implementing Agency/Financing partner	Budget million Euros
RECOMAP (Integrated coastal zone management for Indian Ocean)	2007-2011	IOC countries	Indian Ocean Commission (IOC)/EU	18
Climate change adaptation (ACCLIMATE)	2008-2012	IOC countries	IOC/FFEM/MAEE CR REUNION	3.6
Regional initiative on agro ecology and climate change	2009-2013	IOC countries	IOC/IFAD	0.75
SMARTFISH ⁵	2011-2013	IOC Countries, Eastern and Southern African Countries	IOC/EU	21
Regional fisheries monitoring	2007-2014	IOC countries Mozambique	IOC/EU	12
ISLANDS ⁶	2011-2013	IOC countries and Zanzibar	IOC/EU	10
Risks and Disasters Management	2012-2015	IOC countries	IOC/AFD	2
Management of Island Biodiversity in Eastern African Coastal States and in the Indian Ocean	2014-2018	Comoros, Madagascar, Mauritius, Seychelles, Tanzania, Kenya	IOC/EU	15
Sustainable Management and Conservation of Marine Environment in the South West Indian Ocean	2013-2016	IOC Countries	IOC/FFEM	3.2
Climate Change Adaptation and Mitigation in Eastern and Southern Africa (COMESA-EAC-SADC) Region	2012-2016	COMESA-EAC-SADC Region	EU, Norway and DFID	90
EAF-Nansen Project ⁷	2008-2013	Sub-Saharan Africa	NORAD-FAO	For Seychelles \$10,000 in 2013
South West Indian Ocean Fisheries Project (SWIOFP)	Multidisciplinary research 2012-2017	Kenya, Comoros, Mozambique, South Africa, Tanzania, Mauritius, Seychelles, France	World Bank/GEF/FFEM	12.72 million USD
Strategic Action Programme Policy Harmonization and Institutional Reforms (SAPPHIRE) Project	2015-2020	Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, Somalia, South Africa, Tanzania	GEF/UNDP	68 million USD

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE

B.1 Stakeholder engagement in project implementation

A thorough stakeholder engagement plan is included in the PRODOC.

Refer to PRODOC section 1.5 *PA Stakeholders' Financial Analysis* and to Annex 8: *Proposals by Pre-approved and Candidate Responsible Parties*. The latter shows how the project represents an opportunity to engage a wide range of stakeholders in addressing the PA finance sustainability agenda.

⁵The objective of the SMARTFISH project is to contribute to an increased level of social, economic and environmental development and deeper regional integration in the Eastern and Southern Africa and Indian Ocean (ESA-IO) region through the sustainable exploitation of fisheries

⁶ The project is titled: Implementation of the Barbados Program of Action for the Sustainable Development of Small Islands developing states in the ESA-IO region and has four main themes: national sustainable development strategies, coral reef facility, WIO coastal challenge, financial mechanisms for risks and disasters.

⁷ The objective of the project is strengthening the Knowledge Base for and Implementing an Ecosystem Approach to Marine Fisheries in Developing Countries

Refer also in the PRODOC to the description of activities under the following output, which explains the context of proposals found in Annex 8:

Output 1.3 (An adequate legal framework is emplaced for implementing the PAS-wide investment program with a multi-funding approach, adaptable to each PA); and

Output 2.2 (Essential touristic or other relevant infrastructure in selected PAs are developed and new cost-effective practices, systems and schemes are implemented, all with the aim of making these PAs more attractive to visitors, increasing their own revenue generation capacity, while safeguarding and protecting their conservation value).

Finally, refer to the *Project Strategy* overall (PRODOC section 2) and to PRODOC section 3.1 *Project implementation arrangement*, which shows the role of different stakeholders in the project.

B.2 Socio-economic benefits at the national and local levels, including gender dimensions considerations

And how these will support the achievement of global environment / adaptation benefits

A thorough analysis of benefits and gender is included in the PRODOC.

Refer to PRODOC section 2.3.3 *Innovativeness, development benefits, sustainability and replicability*. Relevant paragraphs from the section are reproduced below, including a sub-section on expected national and local benefits.

The project approach is to establish the institutional capacity, systems and potential for increased revenue streams that allow sustainability in the managing and financing of an expanding PA system. The development of increased revenue streams requires diversification and innovation, introducing private partnerships, a trust fund mechanism linked to debt relief and offset arrangements that are so far untried in Seychelles. A high-level of Government support for innovation is expected in view of the commitment of Government to environmental protection and to the expansion of the PA system on the one hand, while facing economic constraints on the other hand.

The approaches are designed to test means of diversifying income that contributes to PA management and improving the conservation effectiveness of their investment. Clearly, by doing so and closing the PA financing gap, the project will improve the overall financial sustainability of the system. The institutional sustainability will be assured by focusing on capacity building, both for revenue generation and conservation delivery.

The project has been carefully designed to optimize prospects for improving the sustainability of the network of national protected areas in the following areas:

Environmental sustainability will be promoted in the project by improving the effectiveness of conservation efforts in protecting the indigenous species, habitats and ecological processes represented in the Seychelles' network of national protected areas (Nature Parks and National Parks). The project will facilitate the preparation of an overarching national planning framework for protected areas that will seek to ensure that a balance is maintained between the conservation of the biodiversity and heritage values of parks, the protection of native plants and animals in parks, and the rights of the public to access and enjoy parks. The national planning framework for protected areas will thus provide direction and guidance to conservation managers and to communities living in parks on how to preserve and protect these special areas and the indigenous species in them. In particular, it will provide – over the long term - more consistent national direction for the management of national and nature parks through conservation management strategies and park management plans.

Institutional sustainability will be achieved over the short- to medium-term by improving the functionality and effectiveness of the existing institutional framework for national protected areas. The project will specifically contribute to this by: (i) clarifying, and more clearly defining, the roles and responsibilities of each of the government and public institutions responsible for national protected areas; (ii) establishing a 'information centre' as a more cost-effective mechanism for delivering common support services to PAs; and (iii) strengthening the capacity of the DoE and SNPA to

better monitor, evaluate and report on the performance of PAs in meeting their stewardship mandate for national protected areas. Over the longer-term, the project will further contribute to institutional sustainability by undertaking a cost-benefit analysis of a number of different options for establishing a single, consolidated park agency responsible for administering all national protected areas in the Seychelles.

Financial sustainability will be achieved by supporting the development and implementation of a Financial Plan for the Seychelles' network of national protected areas. The project will build and strengthen the financial management capacity of the national PAs in budget management, financial control, performance management and financial accountability by: (i) developing a standardized set of financial and accounting policies and procedures for PAs; (ii) implementing training and skills development programs for PA staff; (iii) providing a professional financial backstopping service to PAs; and (iv) reviewing and updating the pricing strategy and structure for park products and services. The project will specifically assist in the design and implementation of mechanisms to increase and diversify financial flows to national protected areas, including: improving revenue from entry and other user fees; targeting additional focused donor funding support; reducing transaction costs of user-pay systems in parks; improving the productive efficiencies in existing tourism and administrative services in parks; centralizing the marketing and booking system for parks to improve cost-efficiencies; and developing more integrated tourism/recreation products and services in parks. Finally, the project will support the continued introduction of business planning processes in the national protected areas, with direct links to the preparation of Park Management Plans and Annual Programs.

Social sustainability will primarily be achieved by facilitating the active involvement of a range of stakeholders in the ongoing planning, management and monitoring of national protected areas. The project will identify approaches to, and mechanisms for, the direct involvement of the private sector, local communities, donors and NGOs in the ongoing conservation of, provision of services in, and sustainable resource use from, national protected areas. In particular, the project will seek to optimize entrepreneurial and direct employment opportunities for communities living nearby the Marine and Terrestrial Parks in the development and delivery of tourism, recreational and bulk supply services to these parks. Finally, the involvement of stakeholders in project activities – at both the level of the protected area network and individual protected areas – will be guided by robust stakeholder engagement plans. These stakeholder engagement plans will also make strong provision for conflict management with different categories of user groups.

Ecotourism and diversification of economic activities that involve and rely on relationships with protected areas (parks) are to become a significant source of income for local communities and for the parks.

Other expected national and local benefits

The generation of development benefits at the national and local levels in this project is deeply linked to ensuring that landscapes and seascapes in Seychelles continue to render a flow recreational services that have economic value – provided that this value can be sustainably captured and exploited.

Noting that the level of protection reaches almost 50% of the land surface in Seychelles, and that it is bound to cover a large portion of the country's EEZ through the on-going Marine Spatial Planning, PAs are essential for the sustainability of ecosystem recreational services in the country.

Currently, Vallée de Mai 80,000 receives visitors per year, a number that is almost the size of Seychelles' own population. Together with Aldabra, these site two sites generated \$1.8M in 2013 and \$1.9M in 2014 in revenue. Total site-generated revenues (including entry fees and other sources) represent almost three quarters of all finances available to the overall PA system.

As presented in the Situation Analysis, it is clear that the country's tourism industry is essential for generating jobs and providing hard currency revenues to the country. Tourism employs 40% of the work force and provides 60% of foreign exchange.

At the local level and near PA sites (e.g. on Praslin Island), the economy revolves to a large extent around the tourists' visitation to Vallé de Mai and Curieuse. Economic activities focus on the provision of accommodation on the island, and

transport services to and from sites, rental of bicycles, catering, trading in crafts, etc. – activities that depend directly on the intensity of tourism and the attractiveness of sites.

National socio-economic development in Seychelles specifically depends on the country's unique biodiversity and its high landscape value. Overall, the natural beauty of PA sites in Seychelles attracts tourists, functioning as a "magnet", and adds significant value to the country as a tourism destination. When sites and sub-systems of PAs are funded at a sub-optimal level, management actions may not be sufficient to curb threats to PAs, including some of the impacts from intense tourist visitation on biodiversity. Over time the value of PA sites will be degraded, eventually affecting the country's tourism attractiveness. Hence, tourism and the sustainability of the PA system go hand in hand with one another.

Both national and local socio-economic development in Seychelles specifically depends on the country's unique biodiversity and its high landscape value and, to a large extent, on the sustainability of the PA system, to which financial sustainability is paramount.

This project represents an essential and targeted investment in the sustainability of the PA system, where an investment of \$1 from GEF is bound to leverage many more over time in co-financing and further investment, and eventually close the PA finance gap that currently permeate the system's financial management. A well-financed PA system will make it more effective in protecting nature and therefore continuing to draw tourists and creating jobs, as well as the direct investment through the project in tourism infrastructure which will increase visitor numbers. This, in turn, will generate both direct jobs in PAs, but also downstream and indirect economic benefits e.g. crafts in neighbouring villages, hotels in capital city etc., representing a sizable national and local benefits emanating from the project.

The gender dimension is fully integrated into the PRODOC, in particular in the description of activities.

For a specific discussion of the gender topic, refer to PRODOC section 2.3.4 *Gender mainstreaming considerations*, which is reproduced below.

The general participation rate of women in the labor market of the Seychelles equals 50.0%. It is relatively high rate of participation in the labor force which is also a result of rising male unemployment due to closure of main industries that employed male working force. Unemployment is problem for both man and women, and women are making majority of unemployed (55%). According to the latest accessible data by the NBS, the average monthly gross salary for men was 11% higher than the average salary for women. The reasons for differences in salaries is related to the distribution through economic sectors, differences in the professions/occupations, number of working hours, absence from work, work experience, professional training, position etc.

The likely mechanisms for gender mainstreaming in the project, will be:

- ensuring gender balance when representing different sectors.
- optimizing entrepreneurial and direct employment opportunities
- assess financial impacts of the project for men and what for women; if there would be a difference find out why? (and try to address if possible)
- assess entrepreneurial potential of women and if it matches with needs for parks development; trainings to scale up existing women entrepreneurs, link them with markets; identify unemployed women who could start up activities; (link them with similar funds on the national level); support network of women' start up;

Replication of gender mainstreaming considerations will be achieved through the direct replication of selected project elements and practices and methods, as well as the scaling up of experiences. If viable, it is also envisaged that this model would be expanded to provide PAs with other common support services, including inter alia: payroll management; professional financial support services; high value procurement of common goods and services; fund-raising; and donor-management. In the long-term, it is anticipated that the government will use the results of the cost-benefit analysis of park agency models to assist and guide it in rationalizing the institutional framework for the protected area system in the Seychelles.

Each project output will include the documentation of lessons learnt from implementation of activities under the output, and a collation of the tools and templates (and any other materials) developed during implementation. The Project

Manager will ensure the collation of all the project experiences and information. This knowledge database will then be made accessible to different stakeholder groups in order to support better future decision-making processes in protected areas and more consistent adoption of best practice.

It is important to gather and involve project stakeholders from the early stage of the project design and also to ensure their participation later in the process of the project implementation, particularly government stakeholders. This is crucial for establishing the feeling of ownership of the project results. From the early stages the project established stakeholder involvement as one of the key approaches for implementation of project activities. There is no doubt that participation in decision-making enables conflict minimization and improves ownership of the solutions. Create sustainable protected area finance plans with diverse finance mechanisms and systematically assess the financial sustainability of protected area systems (i.e. use financial scorecard).

In addition, UNDP carried out due diligence prior to PRODOC clearance and screened the project for potential social and environmental negative effects and introduced safeguards in the strategy and overall risk assessment. Refer to PRODOC Annex 7: *Social and Environmental Screening* for more details. *Gender marking* will apply to this project. Refer to PRODOC section 5.1 *Programmatic Links* for further details.

B.3. Cost-effectiveness reflected in project design

Cost-effectiveness is enshrined in the project strategy and its choices since Work Programme entry. The cost effectiveness analysis has been further developed during the PPG and it is incorporated in the PRODOC.

For a summary, refer to PRODOC section 2.3.5 *Cost-effectiveness*, which is reproduced herein.

The project will seek to achieve a catalytic investment in securing the long-term institutional and financial sustainability of the PA in the Seychelles. Costs incurred in project implementation will focus only on those additional actions required to provide key incremental assistance to the Government of Seychelles in undertaking strategic interventions to address the weaknesses in, and improve the financial status of, the national PA.

To accomplish this, the project will complement and build upon the extensive baseline activities already underway in the sector (e.g. PA policy, new legislation, debt-for-nature swap funding, etc.). Wherever possible, the project will use the competencies and technical skills within the mandated Government and public institutions such as SNPA to implement project activities. Where applicable, project resources will also be deployed to strengthen and expand existing initiatives and programs to avoid duplication of effort.

Increased co-financing commitments will continue to be targeted by the project during the project implementation (e.g. co-financing of the private sector, co-financing of the NGOs involved in PA management, etc.).

The project is considered cost-effective for the following primary reasons: i) Project support to strengthening the financial capacity (including financial planning, auditing, policies, guidelines, skills and management capacity) of PA is expected to improve the overall cost-effectiveness of the management of the national protected areas under the stewardship of each of the PAs. It is anticipated that a modest investment of GEF resources will result in: (a) significant improvements in the internal financial controls and financial systems in PAs; (b) more efficient flows of financial information within the PAs, and to the DoE and the MFTBE; (c) improvements in the individual skills of financial management staff in PAs and the DoE; (d) more cost-effective user fee collection mechanisms; and (e) sustained investments in PAs by donors and the Government.

Project support to introducing innovative mechanisms such as PES and biodiversity offsetting should ensure that the PAs can better justify the pricing of protected area goods and services, and that payments are more closely linked to the real costs of providing those goods and services.

Project funding for the preparation of an overarching national planning framework for protected areas in line with the 2013 PA policy will ensure that the implementation of conservation best practice is more consistently applied in national protected areas and that the activities of the PAs are more closely aligned with the overall vision for the national protected area network and the Government's national, regional (e.g. within the Indian Ocean) and international conservation obligations. GEF resources will also be used to strengthen the capacity (staffing, skills and performance reporting system, information management) of SNPA to monitor PAs under its managerial responsibilities.

Project investments in the rehabilitation of some installations or the development of new ones will significantly increase the incomes generated from the targeted PAs. It will increase the income streams, particularly the low-income PAs such as Morne Seychellois. This additional financing will then be used to subsidize an incremental improvement in the quality and extent of conservation management activities in national protected areas.

Project support for detailed assessments on innovative tools and funding mechanisms or improving the institutional framework may contribute, over the long-term (i.e. beyond the term of the project), to addressing some of the fundamental weaknesses in the current administration of the national protected areas. In particular, if SNPA falls into Category 1 before the beginning of the project, it would be more autonomous in its ability to collect and use the revenues generated from its parks.

C. BUDGETED M & E PLAN

The project's M&E Plan is thoroughly described in the PRODOC Chapter 4 - *Monitoring Framework and Evaluation*. For more detail, refer to *Monitoring and Evaluation Plan and Budget*. The table below provides a summary.

PRODOC Table 18. Project Monitoring and Evaluation work plan and budget

Type of M&E activity	Responsible Parties	Budget USD Excluding project team staff time	Time frame
Inception Workshop and Report	Project Manager GOS-UNDP-GEF PCU (Programme Coordinating Unit UNDP CO, UNDP GEF	Indicative cost: \$18,000	Within first two months of project start up with the full team on board
Measurement of Means of Verification of project results.	UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. GOS-UNDP-GEF PCU	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on output and implementation	Oversight by Project Manager PCU Implementation teams	To be determined as part of the Annual Work Plan's preparation. Indicative cost is \$50,000	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	Project manager PCU UNDP CO UNDP RTA UNDP GEF	None	Annually
Periodic status/ progress reports	Project manager and team	None	Quarterly
Mid-term Review	Project manager PCU UNDP CO UNDP RCU External Consultants (i.e. evaluation team)	Indicative cost: \$40,000	At the mid-point of project implementation.
Terminal Evaluation	Project manager PCU UNDP CO UNDP RCU External Consultants (i.e. evaluation team)	Indicative cost : \$40,000	At least three months before the end of project implementation
Audit	UNDP CO Project manager PCU	Indicative cost per year: \$3,000 (\$15,000 total)	Yearly
Visits to field sites	UNDP CO UNDP RCU (as appropriate) Government representatives	For GEF supported projects, paid from IA fees and operational budget	Yearly for UNDP CO, as required by UNDP RCU
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		US\$ 163,000 (+/- 4.5% of total GEF budget)	

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S)

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Mr. Didier Dogley	GEF Operational Focal Point	Ministry of Environment and Energy	04 Jul 2013

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP-GEF Executive Coordinator.		December 01, 2015	Fabiana Issler Regional Technical Advisor, Ecosystems & Biodiversity, Africa, UNDP-GEF	-	fabiana.issler@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK

(Either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Refer to specific sections and pages in the PRODOC for the Project Results Framework:

Chapter 3:	<u><i>Project Results Framework</i></u>	page 75 - 81
	3.1 <u><i>Programmatic Links</i></u>	
	3.2 <u><i>Logframe</i></u>	

ANNEX B: RESPONSES TO PROJECT REVIEWS

(From GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Comments at PIF Stage

Comments	Responses	Document reference
<i>STAP Scientific and Technical screening of the Project Identification Form (PIF), dtd. October 08, 2013</i>		
<p>Overall assessment: 1 - Consent. STAP acknowledges that on scientific or technical grounds the concept has merit. However, STAP may state its views on the concept emphasizing any issues where the project could be improved.</p>	<p>UNDP acknowledges the comments and provides a response to comments herein.</p>	<p>See specific comments from STAP and response below.</p>
<p>STAP welcomes the submission of this proposal intended to improve the financial sustainability and administrative and management cohesion of the Seychelles' protected areas estate by improving the generation of PA finance through a variety of mechanisms and the realization of conservation benefits through a more effective use of the finances at the system level. Overall, the project presents an important and challenging undertaking but the need for it is clear and the timing is opportune as well.</p> <p>1. The challenges confronting the effectiveness and sustainability of the country's PA system are indeed complex at present and looking ahead. The proposal identifies these in a comprehensive manner, as well as the linkages among them.</p> <p>2. The proposed project is coherent and well-structured in addressing what are identified as the key barriers 'system' scale deficiencies and inconsistencies among the various PA subsets, and capacity deficiencies for ensuring sustainable and adequate levels of financing.</p>	<p>The seven specific comments have been addressed as follows:</p> <p>1. While this comment does not require a response, it should be mentioned that the PPG phase enabled to further analyse the challenges confronting the effectiveness and sustainability of the country's PA system.</p> <p>2. During the PPG phase, the discrepancies between the various PA subsets were discussed with the aim of providing adequate responses during the project implementation.</p> <p>With respect to the formulation of the project objective, UNDP thanks STAP for pointing out that we could have simplified the objective effectively the proposed way. We have, however, not made any change because of the serious nature of objective changes at this stage, and because it is not a fundamental problem, just an issue of streamlining.</p> <p>3. During the PPG phase, METT and PA Systems' Financial Sustainability Scorecard assessments were undertaken and thoroughly used as part of the analysis.</p> <p>4. This is now explained more clearly to show that there is no</p>	<p>See PRODOC and evidence of stakeholder consultation during PPG.</p> <p>PRODOC section 1.3 (Barrier analysis and long-term solutions) and 1.4.1 The financial baseline</p> <p>PRODOC sections 1.5 (PA Stakeholders' Financial Analysis) and 'Project goal and objectives' under section 2.1</p> <p>PRODOC Annex 3: SO1 Tracking Tools</p> <p>PRODOC Table 23.</p>

Comments	Responses	Document reference
<p>The objective could perhaps be simplified to be "To improve the financial sustainability and strategic cohesion of the Seychelles protected area system in a dynamic national economic environment". The two Outcomes when achieved will clearly result in GEB and the activities and their outputs support their attainment.</p> <p>3. The proposed use of FSS, METT and Capacity Development is noted as is the provision of most baselines for chosen indicators and targets.</p> <p>4. On page 7 it is stated that currently, the PA system retains 48% of self-generated finance while a few lines later it is stated that governmental regulations do not allow PAs to retain their own revenues. This should be clarified, since this is one focus of the proposed project. While the potential for a variety of partnerships with the private sector is mentioned, this perhaps should receive a greater examination moving forward.</p> <p>5. The proposal is somewhat light on the expected socio-economic benefits, largely due to its focus on institutional strengthening and revenue streams, but this is an area that ought to be explored further during the PPG.</p> <p>6. While rated as being high already, the presented risk of "misunderstanding" among PA managing entities and resource users undermining the development and adoption of the proposed cohesive approach to PA management and finance could be even greater than anticipated. Plain conflict, disagreements and reticence to change will be stronger that</p>	<p>contradiction. The 48% percentage that had been mentioned in the PIF referred to a cursory analysis of the PA system as a whole, which is composed of several sub-systems, each with different financial and PA management conditions. Not all PAs (and PA sub-systems) are managed by government and most PA managing entities are able to retain their own site-level revenue. Only SNPA, by regulations, does not have the right to retain PAs revenue generated at site level. As a budget dependent institution, SNPA receives a budget allocation from central government of \$1.45 million year. SNPA sites generates approx. \$1.32 million in revenue per year (2014), but these funds are fully remitted to Treasury. In turn, across the PA System, the total amount of revenue generated at site level is \$3.9 million USD, to which SNPA's \$1.32 million contributes with 33%. At CEO endorsement stage, we have recalculated the percentage mentioned in the PIF. The \$2.6 million of site level revenues across the system which can be retained by PA managing entities was 67% in 2013/4. This is a more accurate figure than the 48% mentioned in the PIF.</p> <p>Furthermore, although SNPA was initially conceived as an independent parastatal authority, in the context of structural adjustment, in 2009, the Government of Seychelles enacted a legislation that made SNPA a treasury-dependent organization. All revenues collected by SNPA are remitted to the central government with the initial aim of allowing better control of sources of revenue and so the central government was in a better position to service the national debt. The financial dependency of SNPA has resulted in a decline of central budget allocation to SNPA and it has acted as a disincentive to SNPA staff to apply effective conservation management, satisfy tourism needs, and generate revenues. SNPA is now barely able to maintain the status quo in terms of conservation management. One activity of the project is to look at the financial and management status of SNPA and to assess the potential of SNPA to move from a budget-dependent organization to a more financially autonomous parastatal.</p> <p>5. The project documents include a section focusing purposely</p>	<p>Financial Scorecard, Part I, topic 1.2: Financial Analysis of the National Protected Area System</p> <p>Under PRODOC section</p>

Comments	Responses	Document reference
<p>misunderstandings. The proposed means of mitigating this risk could use more attention looking ahead. The risk of climate change and its effects are not included in the risk table, although this is recognized as a significant cause for concern elsewhere.</p> <p>7. The stakeholders definition is appropriate, although more focus on the effective engagement of local communities and resource users would be encouraged.</p>	<p>on the socio-economic benefits of the project. Much efforts have been done during the PPG to consider these benefits.</p> <p>6. It is important to highlight that we have embedded in project design mitigation measures to avoid any "misunderstanding" among the PA managing entities and resource users. The development of the PA policy adopted in 2013 is the first important step towards a more integrated approach for the management of PAs in Seychelles. Preparing the Policy has been a highly participatory and consultative process among institutions managing PAs and stakeholders understand the importance to have a cohesive approach. This positive evolution will be strengthened with the development of the PA Act which will clearly define the role and the responsibilities of all the stakeholders, as well as the development adoption of a PA System (PAS) Financing & Investment Plan foreseen under Output 1.1 in addition to institutional and policy barriers work under Output 2.1. Activities under these outputs will establish and make use of well-coordinated and consultative mechanisms for achieving the goals. The project will support these processes by ensuring that a cohesive approach is adopted to PA finance. This is in fact embedded both under several activities under both components. The project will also build-up institutional capacities in terms of financial management based on exchange of experiences and lessons learnt.</p> <p>7. The PPG team took note of this comment and addressed it consistently during the PPG phase by meeting during the formulation some local communities, the private sector and resource users (including Seychelles Fisheries Association, the tourism industry, etc.), to ensure a full engagement of this category of stakeholders.</p>	<p>2.3.3, see paragraphs with heading 'Other expected national and local benefits'</p> <p>PRODOC, Part 2 – Project Strategy, in particular the different outputs mentioned in the response</p> <p>PRODOC Annex 9: Technical Reports from PPG phase</p>
<i>Comments from Canada - Nov 2013</i>		
<ul style="list-style-type: none"> This is an important and well-developed project proposal; in particular, we note the important focus on the financial sustainability of Protected Areas through creative and innovative mechanisms. We expect that the 	<ul style="list-style-type: none"> Dissemination of lessons learnt will be done through communication activities planned in the project. The state owned company Petro-Seychelles was consulted during the PPG phase, in order to have 	<p>See project document (on oil and gas, see section 1.1.2) and logical framework.</p>

Comments	Responses	Document reference
<p>lessons learned from this project will be useful for many other GEF recipient countries, particularly SIDS and LDCs.</p> <ul style="list-style-type: none"> For the final project proposal, we request that the risk from the discovery of offshore oil and gas resources be elaborated upon, including analysis of how this element may affect the project and what possible mitigation actions could be adopted. 	<p>information about the program of exploration of offshore oil and gas. In addition, a specific study on biodiversity offsetting was included in the formulation process as a mitigation action. Given the low oil prices during the formulation period (November 2014 to May 2015), it appeared that the risk from the discovery of oil and gas were rated as low.</p>	
Comments from Germany - Nov 2013		
<p>Germany approves the following PIF in the work program but asks that the following comments are taken into account:</p> <ul style="list-style-type: none"> The proposal presents a very important and challenging area of work to support an effective conservation of protected areas in the country. The proposal includes a very good analysis of the problem in the Seychelles and proposes a good strategy to mobilize and generate more financial resources, considering at the same time important mechanisms and instruments to overcome the financial gap in particular and improve financial management in general. It proposes sound indicators and targets and is well integrated into the overall CBD Framework, supporting the implementation of the Strategic Plan 2010-2011. It considers and supports socio-economic benefits, through institutional strengthening and new revenue streams. Germany suggests that stronger consideration is given to local communities. <p>Additionally, Germany supports the STAP evaluation on the issue that the project shall address in a more detailed way possible measures and mechanisms to overcome conflicts and disagreements.</p>	<ul style="list-style-type: none"> No response required. Local communities and PA managing stakeholders were actively involved during the PPG phase. The METT application process, which covered 19 sites and was carried out during the PPG phase, was a thorough and highly participatory process. Local community members who were present during the questionnaire application, were able to express their views and concerns. <p>With respect to measures and mechanisms to overcome conflicts and disagreements, refer to the response provided to STAP, item #6.</p>	<p>See project document for more information.</p> <p>PRODOC Annex 9: Technical Reports from PPG phase</p>

Comments	Responses	Document reference
<i>Comments from France - Nov 2013</i>		
<ul style="list-style-type: none"> We globally support this proposal. The Project is well designed and documented. The project rationale is robust. We particularly appreciate the financial table in annex to the PIF which is providing detailed analysis of the financing gap of the protected area system of the Seychelles. In the future, we would recommend that every project presented to the GEF for sustainable financing of protected area system should in principle present the same kind of annex to demonstrate that the financial gap assessment has been thoroughly explored before the PIF stage. The project partners are strong. We know particularly Island Development Corporation (IDC) and Island Conservation Society (ICS) who are reliable stakeholders. This project is ambitious, but built on solid assessments and realistic approaches. Opinion: Favourable. 	<ul style="list-style-type: none"> No response needed No response needed No response needed No response needed 	See project document for more information.

Comments from the GEF Secretariat at CEO Endorsement Stage

Review Criteria GEF Secretariat's Comments (Received on 21-Jul-15)	UNDP's Response Oct 22, 2015	Document Reference
Project Design		
<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p> <p>7-21-15 Component 2: Increased and more</p>	<p>Regarding the set of Questions #1)</p> <p>In answering question [1a], we draw the attention to the project's Output 2.1 (which reads: <i>Institutional and policy barriers for an effective site-level revenue generation, collection and retention into the PA system are lifted, creating better conditions and incentives for reducing the PA finance gap</i>), and, more precisely, to the beginning of the output's description, where we clearly state that there is indeed government commitment:</p>	<p>New paragraph added to PRODOC, Section 2.1, description of Output 2.1 on page 44</p>

Review Criteria GEF Secretariat's Comments (Received on 21-Jul-15)	UNDP's Response Oct 22, 2015	Document Reference
<p>reliable revenue generation for PA management.</p> <p>Outcome 1.2: Increased revenue for protected area systems to meet total expenditures required for management</p> <p>[Questions #1]. The reading of Table 23 (p.97) shows that the only sub-system that is not retaining revenue for re-investment is SNPA; It receives \$1.4M from the central government, it generates \$1.3M but retains 0%.</p> <p>[1a] What is the commitment on the part of the Government to allow the PAs (SNAP) to retain the site-level revenues?</p>	<p><i>“During PPG upstream consultations, a commitment from government towards addressing the mentioned barrier was made – i.e. the fact that SNPA continues to be a budget-dependent institution and it is therefore not able to retain any of its site-level revenues. This commitment will be followed up during implementation.”</i></p> <p>We further add that SNPA is a key beneficiary of activities under Output 2.1, while MEECC/DoE is a key protagonist in the process of lifting the barriers mentioned in the output. Both SNPA and MEECC/DoE have made a commitment to bringing about the necessary change.</p> <p>However, this is not solely an issue of ‘commitment’, but also of SNPA’s ability to meet certain requirements in its financial management.</p> <p>In the past, SNPA’s financial standing has oscillated between a small surplus and a small deficit, according to different conditions. It was though able to retain its own revenue, if a trend towards break-even was maintained.</p> <p>This changed in 2008, a year of particularly severe State budgetary constraints, coupled with structural adjustments. Among other remedial measures, the government changed SNPA’s parastatal category and made it a budget dependent institution. This is mentioned in logframe indicator #8, including a note under it, which reads:</p> <p><i>“SNPA’s financial autonomy [implying its ability to retain own revenue] is dictated by the category of parastatal that it falls under, which in turn defines whether it is a budget-dependent institution or not”.</i></p> <p>Reverting the 2008 decision and changing SNPA’s parastatal category to one that is financially independent from State revenue will take more than just commitment. SNPA will need to meet a number of financial standing requirements.</p> <p>Helping SNPA meet those requirements is exactly the object of Output 2.1, where a step-wise approach and targeted technical assistance in PA finance are foreseen.</p> <p>To reinforce this point about the government’s commitment, we added an explanation in the current iteration of the PRODOC.</p>	

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<p>[1b] On the other hand, the Government is allowing all other sub-systems to retain 100% of the revenue generated.</p>	<p>[1b] It is not totally correct to state that the “government is allowing all other sub-systems [besides SNPA’s] to retain 100% of the revenue generated”. We elaborate:</p> <ul style="list-style-type: none"> - The DoE sub-system e.g. generates zero revenue, so, whether it retains 0% or 100%, it is irrelevant. - The management of revenues under the NS and GIF sub-systems is not at all dictated by government. These are non-governmental entities governed by their board. - The sub-systems managed by other parastatal entities, namely SIF and ICS, could well be operating under the same conditions as SNPA’s with respect to site-generated revenues. Currently, they are not because their financial trends tend towards break-even. 	<p>No changes made</p>
<p>[1c] Are the proposed activities under Output 2.2 aiming at reducing the gaps with increased revenue and no central government support as it is currently the case?</p>	<p>[1c] Activities under Output 2.2 do not aim at substituting government support by an increased site-level revenue, but to create leverage. They are aimed at enhancing new cost-effective practices, systems and schemes, as a means of making selected PA sites more attractive to visitors and thereby eventually increasing their own revenue generation capacity – but in a balanced and sustainable way.</p> <p>Neither do the proposed activities assume that there is no government support at the current juncture. Table 23 clearly shows that in 2013, government contributed with \$1.5M of total finances available to the PA system. This corresponds to 27% of total finances available to the PA system overall and 32% of revenues in the State and parastatal sub-systems together (i.e. SNPA, DoE, SIF and ICS). As Seychelles’ economy grows – and we discussed these prospects in the Situation Analysis – this proportion too could well increase.</p> <p>Government support is part and parcel of the equation through its solid co-financing to the overall project, and to activities under Output 2.2 more specifically. The GEF investment is but a subsidy to the proposed activities.</p> <p>The issue of government support to sites is a separate one from the issue of SNPA being able to retain its revenues or not, which is addressed under Output 2.1 and has been discussed further up.</p> <p>The role, contribution and distribution of government support to the PA system more broadly will be object of an informed process of financial and operational planning, catered for under Output 1.1 through the PA System (PAS) Financing & Investment Plan.</p>	<p>Edits to the description of Output 2.2 in the PRODOC, pages 44 and 45</p>

Review Criteria GEF Secretariat's Comments (Received on 21-Jul-15)	UNDP's Response Oct 22, 2015	Document Reference
<p>[Questions #2]. It is not easy to understand how revenue generation is going to increase and be more reliable with the proposed activities listed under Output 2.2 when GEF financial resources will be scattered among 8 existing PAs (Morne Seychellois NP, Praslin NP, La Digue Veuve, Curieuse and Cousin Special Nature Reserves, and Silhouette Island National and Marine Parks), and two PAs in the process of being established (North and Denis).</p> <p>[2a] With the exception of the investment in the "Aldabra House Visitor Center", that is likely to attract a significant number of visitors and revenue, the other investments appear to generate additional revenues that would be marginal at best (i.e. a VHF system, a solar photovoltaic system or buoys). Please elaborate.</p>	<p>Regarding the set of Questions #2)</p> <p>[2a] It is important to clarify the ‘theory of change’ behind Output 2.2, to which the question refers, and the output’s fit to the project’s overall strategy. This is now more explicit in the current PRODOC iteration.</p> <p>As stated, activities under Output 2.2 focus on new cost-effective practices, systems, schemes and infrastructures.</p> <p>The aim is not necessarily to increase visitation across the board, though this will be a strategy for some sites, but primarily to create better conditions for visitation where it matters, and only to the extent that it increases site-based revenue sustainably, i.e. without degrading the sites’ conservation values.</p> <p>In order to make this clearer, we have slightly edited the formulation of Output 2.2, which now reads:</p> <p style="padding-left: 40px;">Output 2.2 Essential touristic or other relevant infrastructure in selected PAs are developed and new cost-effective practices, systems and schemes are implemented, all with the aim of making these PAs more attractive to visitors, increasing their own revenue generation capacity, while safeguarding and protecting their conservation value.</p> <p>With respect to sites, their choice was deliberate. It focused on the maximum leverage that GEF funds could provide for improving the sites’ revenue generation capacity. There is also a requirement to actions contributing to safeguarding the sites’ conservation values, which takes precedence.</p> <p>Three basic groups of sites are targeted: (1) those that either already receive heavy visitation or where visitation is on the increase; (2) those that have potential to create or increase the visitation level by becoming more attractive, and (3) those where the volume of visitation is not relevant, but instead the ability of proposed measures to leverage revenue.</p> <p>In the first and second groups, we would mention Cousin with 10,000 visitors a year, and Praslin island, where Vallé de Mai is located, attracting some 80,000 visitors a year, but</p>	<p>Formulation of Output 2.2 was revised in the PRODOC and CEO Endorsement Request</p> <p>PRODOC, pages 44 through 46:</p> <p>Several edits were made to the description of Output 2.2, adding the explanations herein contained with respect to the choice of sites and the context for the</p>

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	<p>where Praslin NP itself is sub-explored and could be made more attractive.</p> <p>We also include Curieuse Island in the first group. Due to its proximity to Praslin, Curieuse Island is beginning to receive an increasing number of day visitors, noting that overnights are not allowed. Efforts there will focus on both increasing the sites' attractiveness and thereby also visitation. However, given the vulnerability of Curieuse Island's ecosystems, it will equally focus on preventing potential negative impacts from excessive or careless visitation (e.g. increased poaching, offtake and littering). Therefore, some of the package of investments will include improvements to the means of PA surveillance (e.g. a VHF system and buoys). Other investments, such as a solar photovoltaic system, will have the triple purpose of (i) eliminating actual negative impacts from diesel generated power, (ii) making the site more attractive from less noise pollution and (iii) facilitating the work of rangers by securing a constant and sustainable power supply to the island. The same rationale applies to La Digue Veuve.</p> <p>In the second group of sites targeted under Output 2.2, we can include Aldabra House Visitor Center, which is likely to attract many visitors, but also Morne Seychellois, where visitation can potentially increase significantly, if only adequate infrastructure, signage and trails are in place.</p> <p>Sites such as North and Denis fall in the third group. It is clear that the goal is not exactly to increase the visitation, which will always be restricted to a very selective group of luxury tourists with very high-purchasing power. Rather, the efforts there will be towards increasing the awareness level of this group to the importance of conservation, so they too can become enthusiastic advocates of the values of biodiversity within their spheres of influence. Some may even become investors in conservation. Note e.g. in Annex 8, section 6 containing GIF's proposal, activities that focus on a "sponsored adoption programme" and on other ones pertaining to novel financing mechanisms.</p> <p>For all activities under Output 2.2, the GEF investment will be a subsidy, complemented by co-financing and other potential investments, including from new private sector operators -- investments that are likely to be leveraged by the GEF and co-financing funds combined.</p> <p>Investments under Output 2.2 alone may not immediately generate revenue. Some of them may even generate additional costs in terms of equipment and infrastructure maintenance. However, they have been carefully designed to serve as levers for conservation finance. They will both improve and protect the conservation value of sites, and hence their</p>	GEF investment.

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	<p>attractiveness to visitors. Yet, these investments will need therefore to be accompanied by other measures, including reforms to CSR tax mechanisms and to the entrance fees policy (catered for under Output 1.3), as well as reforms to revenue retention mechanisms (catered for under Output 2.1), and not least also by improved financial planning and capacity at the PA system's level (catered for under various outputs of Component 1).</p>	
<p>[2b] Isn't the cost to get to most of these islands and stay there (lodging and food) the most critical factors limiting increasing revenue from tourism? What could this project do about this?</p>	<p>[2b] With respect to the question of whether the costs of travelling to and staying on the islands are actually a critical factor limiting the increase in revenues from tourism to PAs, we present evidence further down that shows otherwise.</p> <p>We stress again that the focus of site-level work is not necessarily on increasing the volume of visitation, but rather its sustainably and the extent to which it increases site-based revenue, without degrading the sites' conservation values.</p> <p>Evidence from the project's situation analysis shows that the costs of travel, accommodation and food do not appear to be a limiting factor -- neither to Seychelles as a tourism destination more broadly, nor to visitors' interest in protected areas. On the contrary. Seychelles is and will continue to be an expensive tourism destination on average. Yet, Figure 2 shows a steady increase in arrivals, while Figure 3 shows that a sizable proportion of visitors value nature (PRODOC pages 12 and 13). Also, the large number of visitors to Vallé de Mai, corresponding to one third of all visitors to the country, further confirms this. A well-developed tourism infrastructure on Praslin and frequent air connections thereto make this possible.</p> <p>Only at the more exclusive locations (private islands e.g.) is the very high price of transport, lodging and food a purposely limiting factor, but this applies only to a very exclusive segment of the market. Denis and North Islands are examples.</p> <p>While the project will not (and cannot) change the costs of food, lodging or travel – these are dictated by market forces -- we acknowledges these conditions and their implications to the project strategy:</p> <ul style="list-style-type: none"> - Obviously, the number of visitors is a multiplier. Increasing it would have a boosting effect on several types of site-based revenues, such as entry fees, parking fees, sale of souvenirs, etc. The downside will often be the negative impacts of increased visitation on the sites' ecology. - Therefore the goal of Output 2.2 is to optimise the revenue generated by a suite of 	<p>No changes made besides those mentioned further up with respect to question 2a</p>

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	<p>mechanisms, measures and practices, taking into account the need for safeguarding and protecting their conservation value.</p> <ul style="list-style-type: none"> - In several places, this could imply increasing the price of fees, according e.g. to a willingness-to-pay analysis that can be carried out, but under other outputs of the project. The price of fees is also a powerful multiplier. There are indications that, for several sites, the fee is too low vis-à-vis an assumed willingness to pay. Setting the price structure at an optimum level can have a decisive and positive effect on the overall revenue generating capacity of different sub-systems. <p>More broadly, success under Output 2.2 will in fact not be measured in terms of the volume of visitation to sites, which generally oscillates from year to year and does not mean much in isolation. Rather it will be related to different sub-systems' ability to generate revenue without degrading the sites' conservation values.</p> <p>To reinforce this point, we refer to logframe indicators for the second component, in particular indicator #9.</p> <p>The main message is therefore that it is important to monitor the volume of visitors, but equally their profile, willingness to pay for nature experience and their consumption patterns. This analysis will be done in the scope of preparing the PA System (PAS) Financing & Investment Plan for Seychelles under Output 1.1. We added a note to that effect.</p>	
<p>Output 2.3 The operationalization of the SCCAT and of other related environmental finance mechanisms to be adopted, takes the need for supporting biodiversity conservation into consideration, including the need to address the PAS financing gap.</p> <p>[2c] Please sharpen the language on the proposed activities under this Output. Not very clear what will be achieved with \$134,000</p>	<p>We have sharpened the language on the proposed activities under Output 2.3 and provided a better overview of the use of funds.</p> <p>Given that SeyCCAT needs to be made operational prior to receiving its first payment from the debt swap (not expected until some time 2016), it will be necessary to provide some start-up capital to SeyCCAT so that the SeyCCAT Board can hire staff, equip an office, develop an operations manual, a process for running a RFP, etc. Of note, SeyCCAT will be limited to a maximum of 15% of the funds it receives for grant making, for administrative costs, but only once it is fully operational. This is estimated at up to \$64K per year.</p> <p>The expected costs for SeyCCAT in its first years of operation, prior to when SeyCCAT will receive any funding from the debt swap, will be approximately \$312K for the calendar years of 2016 and 2017. Of these, total unfunded expenses for 2016-2017 are estimated at \$184K.</p>	<p>PRODOC page 51</p> <p>PRODOC Annex 8, Section 6, TNC proposal</p> <p>PRODOC Total Budget and Workplan, budget line 24</p>

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<p>investment. For instance what is the expected outcome of the "...advocacy work that will influence key processes and stakeholder relating to funds mobilization and management". What is the GEF actually paying for "the recruitment of national experts and managers for the SCATT, and initial office operations, governance aspects (e.g. the establishment and training of the Board of Directors and Executive Director)". Please clarify</p>	<p>Via a grant from Oceans Five Foundation, TNC was able to leverage \$50K, leaving a shortfall of \$134K, which is what is being requested from GEF.</p> <p>More specifically, the following is proposed with respect to the use of GEF funds:</p> <table border="0" data-bbox="730 402 1507 605"> <tr> <td>HR input and specialized consultancies</td> <td>64%</td> </tr> <tr> <td>Support to the SCATT Board, meetings and training</td> <td>8%</td> </tr> <tr> <td>Operational costs</td> <td>17%</td> </tr> <tr> <td>Essential equipment</td> <td>5%</td> </tr> <tr> <td>Travel</td> <td>6%</td> </tr> <tr> <td><hr/></td> <td></td> </tr> <tr> <td>Total of \$134K requested from GEF</td> <td>100%</td> </tr> </table> <p>Refer to PRODOC Annex 8 for more details on the TNC proposal, titled "<i>Operationalizing the Seychelles Conservation and Climate Adaptation Trust (SeyCCAT)</i>".</p> <p>Text and tables in Annex 8, Section 6 were revised in order to provide more clarity. Slight changes to the Total Budget and Workplan were also made for what line 24 is concerned.</p>	HR input and specialized consultancies	64%	Support to the SCATT Board, meetings and training	8%	Operational costs	17%	Essential equipment	5%	Travel	6%	<hr/>		Total of \$134K requested from GEF	100%	
HR input and specialized consultancies	64%															
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Total of \$134K requested from GEF	100%															
Project Finance																
<p>17. At CEO endorsement: Has co-financing been confirmed?</p> <p>7-21-15 The LoE from Bayan Tree and Marine Conservation Society Seychelles make reference of annual investments of \$46K and \$40K, respectively. Total investments are \$184,000 and \$160,000, respectively. Nevertheless, the amounts on Table C in CEO Endorsement are \$230K and \$200K, respectively. It is necessary to re-issue the letters or reduce the co-financing.</p>	<p>We have verified the two letters referred herein. It is correct that the co-financing only covers 4 years, instead of 5, as it was originally calculated.</p> <p>All the necessary corrections were made and are highlighted.</p> <p>PPG expenditure was updated and it is near 100% of the grant.</p>	<p>PRODOC Annex 1</p> <p>PRODOC Annex 4, slight change in the decimals for [D] and [D-A], including reference to same table in the CEO Endorsement Request, Part II, end of section A5</p> <p>Relevant tables in the CEO Endorsement Request</p>														

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. DETAILED FUNDING AMOUNT OF PPG ACTIVITIES AND FINANCING STATUS

PPG Grant Approved at PIF: \$100,000

<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Project scope and strategy defined, and GEF full proposal documentation prepared and approved. The following PPG Activities have been completed: <ul style="list-style-type: none"> a. Baseline data collection and information gap analysis; b. Definition of the potential for Payment for Environmental Services (PES) and other mechanisms and for the application of an impacts mitigation hierarchy on the operations of the nascent oil and gas industry in Seychelles; c. Stakeholder consultation and engagement; d. Preparation of the ProDoc. 	100,000.00	97,648.75	2,351.25
Total	100,000.00	97,648.75	2,351.25

If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (IF NON-GRANT INSTRUMENT IS USED)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

NA