

**Note to File for Relocation of UNDP-GEF SAPPHIRE (PIMS 5262) from UNDP Seychelles portfolio to BPPS/Nature, Climate and Energy Vertical Funds Unit**

To: Pradeep Kurukulasuriya, UNDP GEF Executive Coordinator



From: Amanda K. Serumaga, Resident Representative UNDP Mauritius and Seychelles



Date: 3 November 2021

**Project: Western Indian Ocean Large Marine Ecosystems Strategic Action for Programme Policy Harmonization & Institutional Reform**

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**Background**

Current Project Status:	Under implementation
PIMS ID:	5262
Atlas BU	MUS10
Atlas Award Number	00087612
Atlas Output ID	00094555
Transferring BU:	UNDP Mauritius and Seychelles
Receiving BU:	BPPS/Nature, Climate and Energy Vertical Funds Unit
Focal Area:	International Waters
Project Type:	GEF-5
Country(ies):	Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, Somalia, South Africa, and Tanzania
Total Project Amount:	USD 8,766,500
Current Expenditures (Approx.) 2018 to date	USD 2,243,548
Unliquidated advance as of 3 November 2021	USD 1,599,418

The GEF SAPPHIRE is the Western Indian Ocean Large Marine Ecosystems Strategic Action Programme Policy Harmonization and Institutional Reforms project which covers 9 countries: Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, Somalia, South Africa, and Tanzania. The project serves as a vehicle for coordinating and executing regional and national agreed upon reforms both at management and policy level for effective long-term eco-system management.

The project was endorsed by the GEF CEO on 12 July 2016 and upon the completion of the necessary internal clearance process after the CEO Endorsement, the Letter of Delegation of Authority (DOA) was issued from UNDP-GEF Executive Coordinator to UNDP Mauritius Resident Representative (Principal Project Resident Representative) on 16<sup>th</sup> October 2017. Subsequently, the Project Document was signed by UNDP Mauritius RR on 24 October 2017, and the UN Agency to UN Agency Contribution Agreement

was signed between UNDP and UN Environment Programme (UNEP) on 25<sup>th</sup> October 2017. The Nairobi Convention recruited the International Project Manager and National Project Assistant in 2018 and the PMU was established in UNDP Seychelles office.

### Justification of the project transfer

Although it was initially agreed by participating countries that the PMU for the SAPPHIRE project will be hosted by the Government of Seychelles, and the Nairobi Convention will execute the Project as the Responsible Party, in 2019 the Nairobi Convention requested the Government of Seychelles (GoS) to relocate the Project Manager from Seychelles to Nairobi so that the complex coordination between the UNEP staff assigned to this project could be improved. This was agreed by GoS and the necessary arrangements were made to transfer the International Project Manager to Kenya. It was envisaged that the PMU would still maintain the national Project Assistant role in Seychelles, but when the staff that was in this position resigned in 2019, no replacement was recruited. Since the closure of the PMU in Seychelles, the project experienced the following challenges:

- i) Reporting issues from responsible Party to the UNDP Seychelles unit
- ii) UNDP Seychelles lacks staff to perform the oversight function for this project
- iii) The significant annual budget (USD 2,159,625) of this project, which makes 38% of the total approved budget for the UNDP Seychelles portfolio in 2021, is exposing the Country Office to the risk of low delivery given that this project has a record of low delivery. The below table outlines the project delivery vs the budget 2018-2021:

FY	ASL, USD	Total utilized, USD	Delivery rate (%)
2018	309,701	194,116	62.7
2019	1,467,599	715,669	48.8
2020	1,748,300	862,287	49.3
2021	2,159,625	471,476 (to date)	21.8

The MCO has raised these above-mentioned issues and requested NCE unit to move the project from Mauritius business unit. After discussions, UNDP GEF Executive Coordinator has agreed to move the project to UNDP<sub>1</sub> BU under the NCE unit.

### Way forward

It was agreed that to move the project from MUS BU, the first step is the withdrawal of Delegation of Authority which was issued by UNDP GEF Executive Coordinator for this project. In order to withdraw the delegation of authority, MCO and NCE unit agreed to work on a note to file capturing the reasons and way forward. This note to file is to be signed by RR of MCO and UNDP GEF Executive Coordinator.

In parallel, the team is working on revision of the UN Agency to UN Agency Contribution Agreement between UNDP and UNEP for implementation of the new project being created under UNDP<sub>1</sub> BU, Atlas award ID 00139181 and Atlas output ID 00129015.

Once this is done, the on-going project will be operationally closed and implementation of the new project under UNDP<sub>1</sub> BU will commence. This includes release of quarterly advances and settlement of expenditures reported by UNEP/UNON for the Nairobi Convention. UNDP BPPS/NCE will do the oversight for this project.

The MCO will financially close the project under the MCO BU once the new Atlas output/project starts implementation. In the meantime, any project activities and requests up to 31 December 2021 will be handled by the MCO.

Upon closure of 2021 year end, a written confirmation of the updated financial status under Atlas output 00094555 of the MCO BU will be prepared by CO to support the financial closure. Regular POPP project closure process will be followed, including applicable assets transfer, etc. GSSU will be notified on transfer of advance balance from MUS10 output 00094555 project to the new UNDP1 output 00129015 project.