



**United Nations Development Programme
Government of Seychelles
Global Environment Facility**

PROJECT DOCUMENT

GEF ID 5485 / PIMS 4656 / Atlas Award 00088837 / Project ID 00095320

Seychelles' Protected Areas Finance Project

Brief Description

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 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 have been carried out in connection with the project.

This project will contribute to achieving the following Country Program Outcome:

Outcome #2: By 2016, the governance systems, use of technologies and practices and financing mechanisms that promote environmental, energy and climate-change adaptation have been mainstreamed into national development plans. Relevant indicator: Area of terrestrial and marine ecosystems under improved management or heightened conservation status increased by 50 per cent by end of 2016. [\[Link\]](#)

Country Program Outcome Indicators:

Area of terrestrial and marine ecosystems under improved management or heightened conservation status.

UNDP Strategic Plan (2014-2017) [\[Link\]](#) **Primary Output: (2.5)** Legal and regulatory frameworks, policies and institutions enabled to ensure the conservation, sustainable use, and access and benefit sharing of natural resources, biodiversity and ecosystems, in line with international conventions and national legislation.

Other relevant programmatic links at the corporate level: [From UNDP's Biodiversity and Ecosystems Global Framework 2012-2020:] Signature Programme #2: Unlocking the potential of protected areas (PAs), including indigenous and community conserved areas, to conserve biodiversity while contributing to sustainable development. [\[Link\]](#)

Applicable GEF Strategic Objective and Program: BD 1: Improve Sustainability of Protected Area Systems

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.

Outcomes under the Components

- 1) 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.
- 2) 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.

Implementing partner:

Ministry of Environment, Energy and Climate Change (MEECC)

Responsible parties:

[To be soon more closely defined on the basis of rules, procedures and due diligence on candidate responsible parties and proposals made]

Program Period:	2016 – 2020
Atlas Business Unit:	MUS10
Atlas Award #:	00088837
Atlas Output Project #:	00095320
PIMS # (UNDP-GEF):	4656
Start date:	Upon Signature
End Date:	+ 5 years
Management Arrangements:	NIM
LPAC date:	[date]

Total project costs [A + B + C]		\$17,876,554
[A]	Funds assigned to this Atlas Award	\$2,776,900
	Regular resources (UNDP TRAC)	\$0
	GEF	\$2,776,900
[B]	Resources allocated by Government of Seychelles	\$11,600,000
	Ministry of Environment, Energy and Climate Change (MEECC)	\$7,000,000
	SNPA (Government related)	\$3,200,000
	Seychelles Island Foundation (Government trust)	\$1,400,000
[C]	Other (partner managed resources)	\$3,499,654
	North Island Seychelles (private sector)	\$226,981
	Banyan Tree Seychelles (private sector)	\$230,000
	Denis Private Island (private sector)	\$182,413
	Green Island Foundation (GIF) (CSO)	\$90,260
	Marine Conservation Society of Seychelles (MCSS) (CSO)	\$200,000
	Nature Seychelles (NS) (CSO)	\$1,570,000
	The Nature Conservancy (TNC) (CSO)	\$1,000,000

Agreed by (Government):
Date

Agreed by (Implementing Partner):
Date

Agreed by (UNDP):
Date

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List of Acronyms and Abbreviations

AfDB	African Development Bank
AWP	Annual Work Plan
BBOP	Business and Biodiversity Offsets Programme
BIOFIN	The Biodiversity Finance Initiative
CBD	Convention of Biological Diversity
CBO	Community Based Organisations
CSR	Corporate Social Responsibility
DoE	Department of Environment
DRR	Disaster Risk Reduction
EEZ	Exclusive Economic Zone
FBOA	Fishery Boat Owners Association
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIF	Green Islands Foundation
GoS	Government of Seychelles
ha	hectare
HACT	Harmonized Approach to Cash Transfer
HDI	Human Development Index
IAS	Invasive Alien Species
IBA	Important Bird Area
ICER	Incremental Cost Effectiveness Ratio
ICS	Island Conservation Society
IDC	Islands Development Company
IMF	International Monetary Fund
IOC	Indian Ocean Commission
IOT	Indian Ocean Tuna
IUCN	International Union for Conservation of Nature
KBA	Key Biodiversity Areas
km ²	square kilometer
LUNGO	<i>former</i> Liaison Unit of Non-Governmental Organizations
LUP	Land Use Plan
MCSS	Marine Conservation Society Seychelles

MDG	United Nations Millennium Development Goals
MEECC	Ministry of Environment, Energy and Climate Change
MEFP	Memorandum of Economic and Financial Policies
METT	Management Effectiveness Tracking Tool
MFTBE	Minister of Finance, Trade and the Blue Economy
MLUH	Ministry of Land Use and Housing
MPA	Marine Parks Authority
MTC	Ministry of Tourism and Culture
NBS	National Bureau of Statistics
NBSAP	National Biodiversity Strategies and Action Plans
NGO	Non-Government Organisation
NIM	National Implementation Modality
NPM	National Project Manager
NS	Nature Seychelles
ODA	Official Development Assistance
PA	Protected Areas
PAS	Protected Area System
PASP	Protected Area System Plan
PCU	Programme Coordination Unit
PES	Payment for Ecosystems Services
PIR	Project Implementation Report
PINC	Proactive Investment in Natural Capital (initiative)
PPG	Project Preparation Grant
PPP	Public Private Partnership
PSC	Project Steering Committee
RBM	Results-Based Management
REDD	Reducing Emissions from Deforestation and Forest Degradation
SBAA	Standard Basic Assistance Agreement
SCCAT	Seychelles Conservation & Climate Adaptation Trust
SCCI	Seychelles Chamber of Commerce and Industry
SCMRT	Seychelles Centre for Marine Research & Technology
SFA	Seychelles Fishery Authority
SIB	Seychelles Investment Bureau
SIF	Seychelles Islands Foundation
SNPA	Seychelles National Parks Authority
SR	Seychelles Rupee

SRC	Seychelles Revenue Commission
SSDS	Seychelles Sustainable Development Strategy
STB	Seychelles Tourism Board
TNC	The Nature Conservancy
TURF	Territorial Use Rights for Fisheries
UNDP	United Nations Development Programme
UNESCO	United Nations Organization for Education, Science and Culture
USD	United States Dollar
USGS	United States Geological Survey
VAT	Value Added Tax
WHS	World Heritage Sites

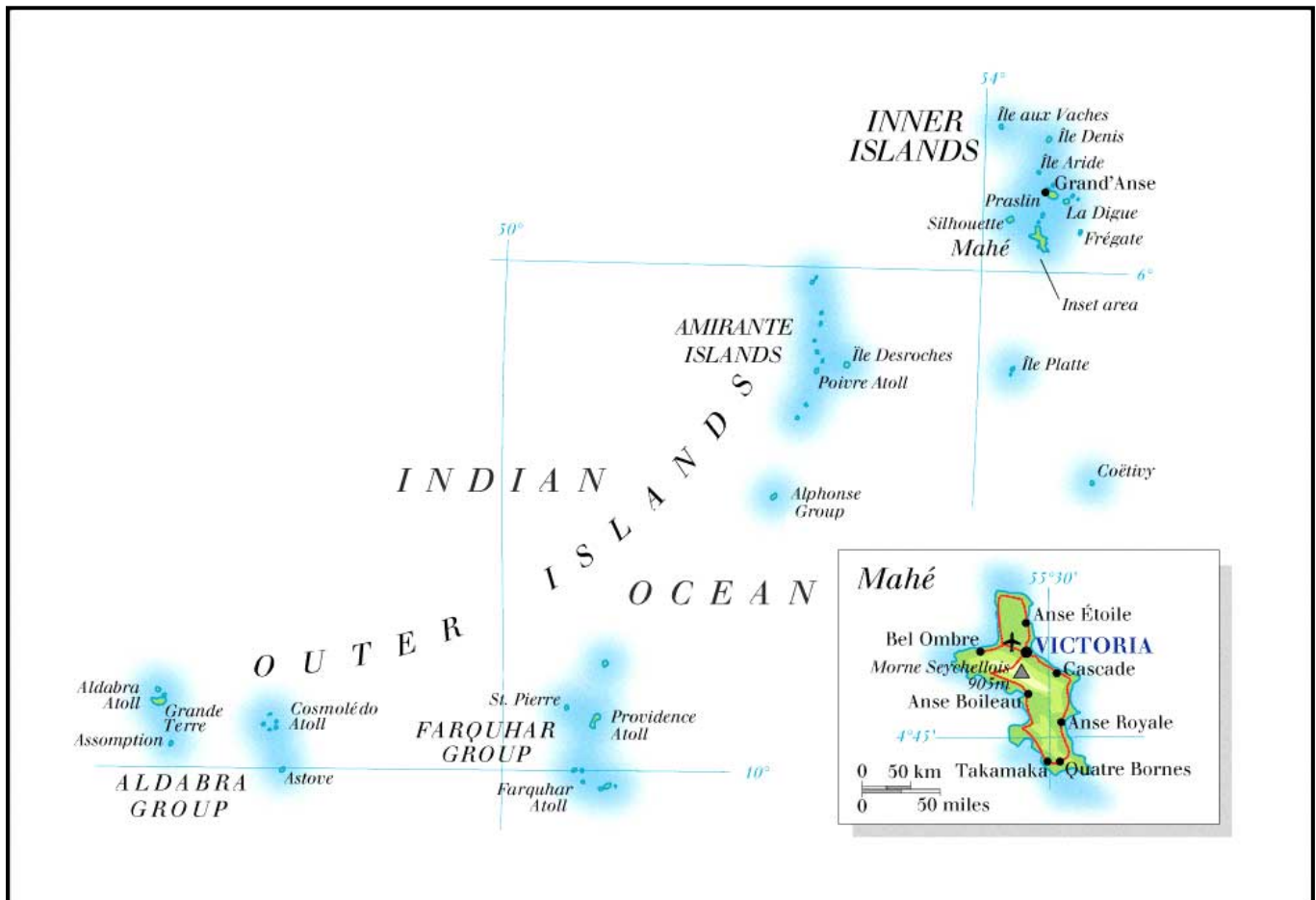
1 Situation Analysis

1.1 Introduction

1.1.1 The development context of the project

The territory of the Republic of Seychelles in the Western Indian Ocean consists of a landmass of 455 square kilometers (km²) forming 115 islands, and an Exclusive Economic Zone (EEZ) covering 1.374 million km². The archipelago is divided into two groups: the mostly granitic islands (or 'Inner Islands') within the Mahé Plateau, and the outer coralline islands (or 'Outer Islands'), surrounded by a vast seascape southwest from the Plateau.

Figure 1. Map of the inner and outer islands of the Republic of Seychelles



Seychelles is located in the Madagascar and the Indian Ocean Islands Region, which has been classified as a global biodiversity hotspot. Seychelles harbors two UNESCO World Heritage Sites (Aldabra Atoll¹ and the Vallée de Mai Nature Reserve²) and three Ramsar wetland sites³ (Mare aux Cochons High Altitude Freshwater Wetlands, Port Launay Coastal Wetlands and Aldabra Atoll). The unique biodiversity of Seychelles has developed largely because of its long geological isolation, allowing evolution to follow its own course separate from the continents.

Some 7,200 species of animal, plant and fungi have been recorded from the Seychelles, including several flagship species, such as the Aldabra giant tortoise (*Aldabrachelys gigante*) and the coco-de-mer palm (*Lodeicea maldivica*). Endemism is comparatively high (between 50-88% for different animal groups in general, approximately 45% for plants and 48% for birds). A large proportion of genera are endemic. Seychelles is also a globally important storehouse of marine biodiversity with some 1,000 fish species recorded and particularly high levels of faunal diversity and endemism. Much of the marine biodiversity is associated with reef ecosystems, including extensive and fairly unique seagrass beds in the Outer Islands.⁴ Seychelles' waters provides habitat for a large numbers of cetaceans (7 dolphin species and 19 whale species have been observed) and its beaches to 4 species of nesting sea turtles, 3 of which are red-listed by IUCN⁵. Vast numbers of breeding seabirds use the country's habitats, especially in the Outer Islands' region.

1.1.2 Economic and sectoral aspects

Seychelles is a stable democracy with a population of approximately 90,000 inhabitants in 2013⁶, 90% of which live on Mahé Island, where the capital is located, but also on the narrow coastal plains of the other two main granitic islands of (Praslin and La Digue).

The country ranks second in Africa in terms of Gross Domestic Product (GDP) per capita (current 15,644 USD in 2013)⁷ and it displays fairly high levels of human development (HDI was 0.756 in 2013⁸). Most Millennium Development Goals (MDGs) have been met and foreign aid has decreased substantially in the past few years.

Since the early 1990s, Seychelles transformed its economy from being mostly agrarian (based on cinnamon and copra plantations) to becoming chiefly dependent on tourism and fishing (mainly tuna exports).

The shift in the basis of the economy was responsible for the reasonable levels of welfare that the country achieved. Concomitantly, Official Development Assistance (ODA) flows have fallen by more than 90%, placing a higher financial burden on the Government's budget and increasing its need to borrow commercially.

Much of the tourism industry in Seychelles is focused on high-end tourism. Altogether, the tourism sector provides more than 70% of hard currency earnings employs and about 30% of the labor force.

¹ <http://whc.unesco.org/en/list/185/>

² <http://whc.unesco.org/en/list/261>

³ <http://www.ramsar.org/wetland/seychelles>

⁴ Of the 50 globally described seagrass species, 13 are found in the Mascarene Plateau.

⁵ <http://www.iucn.org>

⁶ <http://www.nsb.gov.sc/wp-content/uploads/2014/12/Seychelles-in-Figures-2013-2014-Edition.pdf>

⁷ <http://www.worldbank.org/en/country/seychelles/overview>

⁸ <http://hdr.undp.org/en/data>

A large part of the remainder of the labor force is employed in the public sector, comprising the Government and state-owned enterprises. Public consumption absorbs over one-third of GDP. Seychelles' economy is generally vulnerable to external shocks, including global economic deceleration, but also piracy, which affects the fishing industry, as well as sea transportation to the Outer Islands.

Fishery sector

The fisheries sector was and continues to be critically important for assuring food security and for generating local employment. Fish catches are valued at around 35 million USD per year, representing less than 10% of GDP, but account for more than 90% of exports. The country lies at the center of the western Indian Ocean tuna migratory routes.

Industrial fisheries are led by European purse-seiner tuna fishing boats, which maintain a steady supply to the world's second largest tuna cannery, Indian Ocean Tuna (IOT) based in Victoria.

However, the increase in demand has contributed to the gradual decline in traditional capture fisheries over years and has also raised concerns on food security after the 2008 global food crisis.

In this context, the Government of Seychelles has embarked in 2013 in the development of the second phase mariculture master plan to diversify the economies of fishing communities and improve the resilience of their livelihoods in the face of climate change. The interest of the private sector is high for this new production sector in the Seychelles.

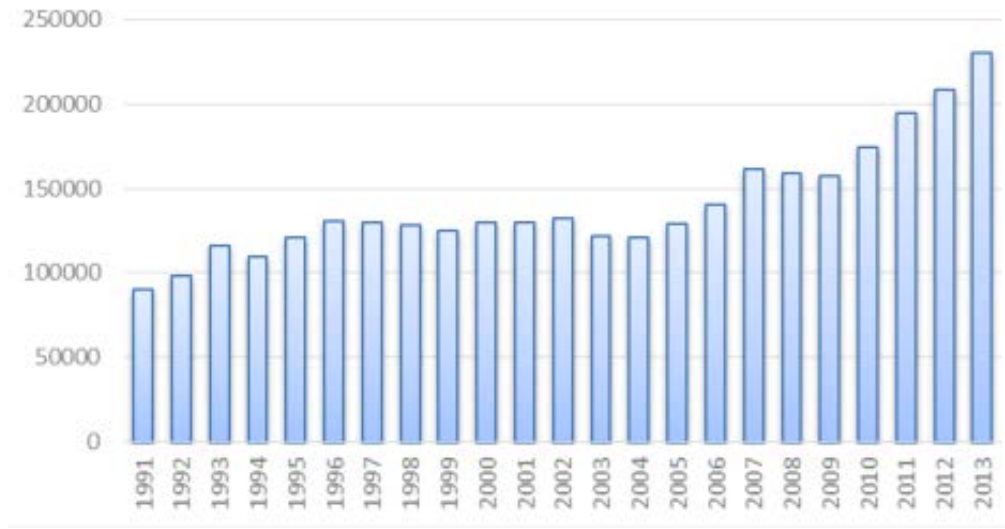
Tourism

Tourism and associated services currently accounts for more than half of GDP. Clearly, it is the most important economic sector for the country and the one that generates most tax revenues. The strategic choice of focusing on high-end tourism reinforces this.

Statistics on international arrivals show that the number of arriving tourists is on the rise, with 215,000 in 2014, up from some 150,000 in 2008 and 2009, according to the National Bureau of Statistics (NBS)⁹ – see below:

⁹ Source : <http://www.nsb.gov.sc>

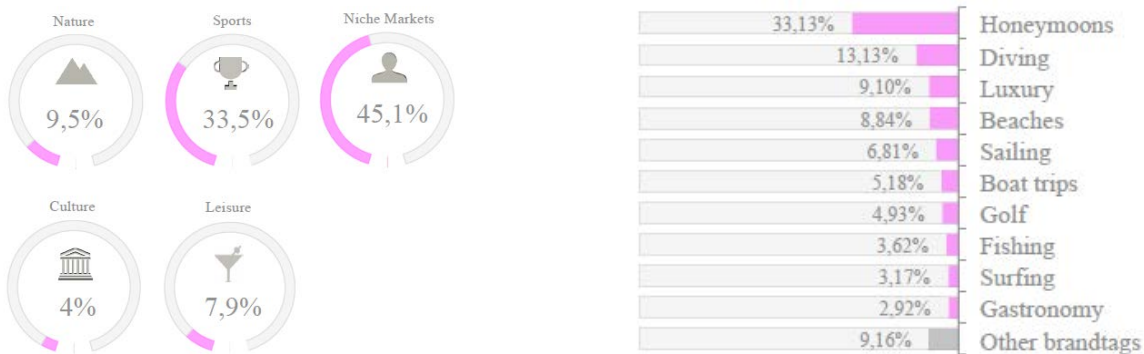
Figure 2. Tourist arrivals (1991-2013)



NBS also reports that, for the past 2 years, Seychelles has seen a tangible increase in the number of Chinese tourists, which reached the 13,000 mark in 2014 with increasing trends in 2015.¹⁰

In terms of Seychelles' "touristic brand appeal" as a destination measured by the digital demand, a recent study¹¹ by the Seychelles Tourism Board (STB) shows that the country is viewed as a destination for niche markets and sports (mainly diving). This can provide an edge when compared to other African destinations. It be a potential source of income streams for Seychelles' protected areas.

Figure 3. Brandtags for tourism in Seychelles per segment and distribution of popularity¹²



¹⁰ Ibidem

¹¹ Bloom Consulting, 2014. Digital Demand: Seychelles' Touristic Brand Appeal. Report to the Seychelles Tourism Board.

¹² ibidem

In the “nature” category, the main interest appears to be in “beaches”: it is the fourth most searched brandtag overall.

Figure 4. Distribution of brandtags for tourism in Seychelles share for the sport ad nature segments¹³



Public debt

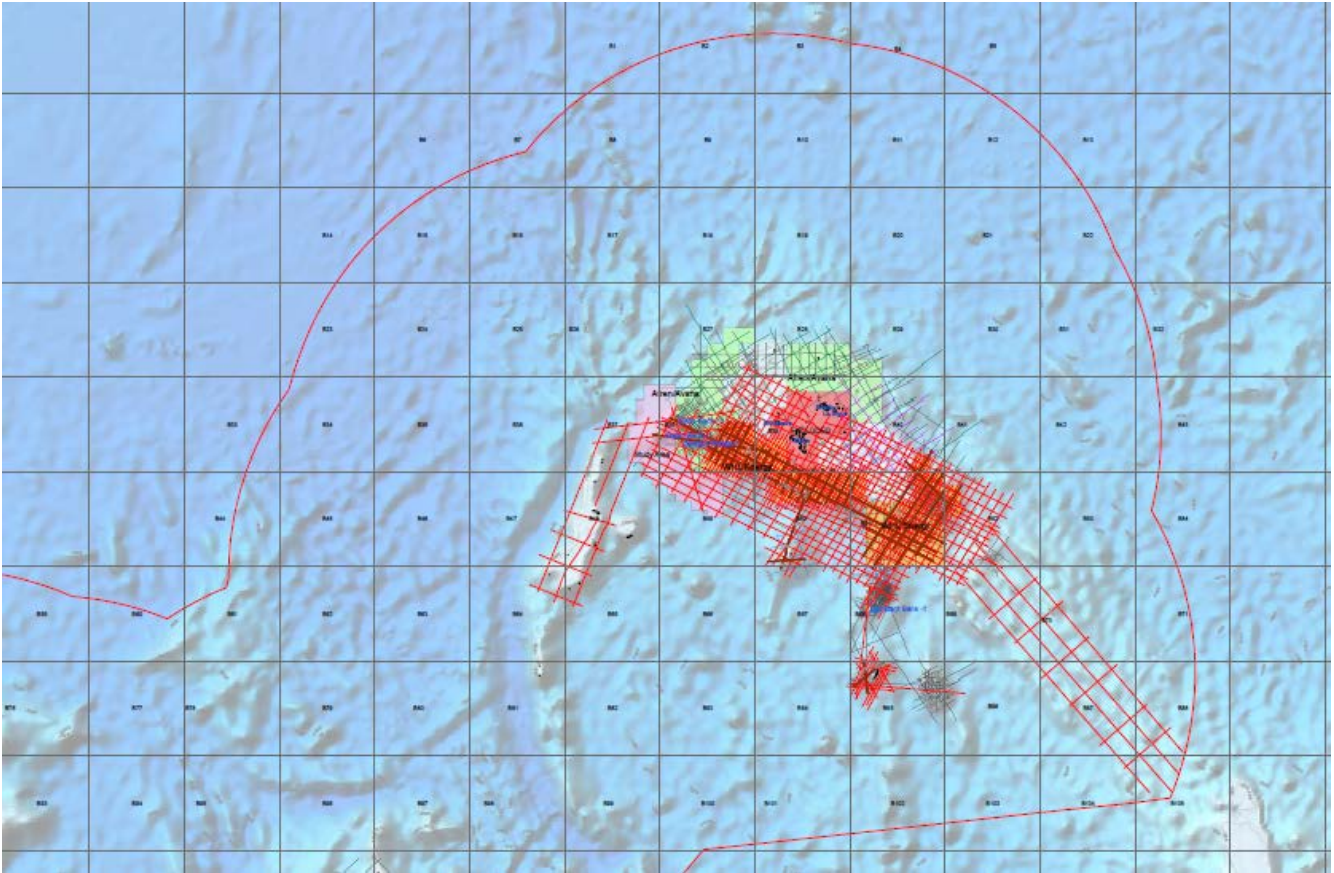
The Seychelles has been grappling with external debt. The Public Debt level was estimated at 51.8% of GDP in 2013¹⁴. Although not high by global standards, it is significant for Seychelles for three main reasons: (i) the size of the economy and population; (ii) the limited availability of foreign reserves; and (iii) the country’s dependence on shock-prone sectors. Fiscal austerity measures were instituted in 2008 to remediate the situation and included the liberalisation of foreign exchange controls, cuts in government spending and a tightening in monetary policy. The economy recovered in 2010-11 after the reforms took hold and tourism increased, but slowed again in 2012.

Oil and gas

The face of Seychelles’ economy, which is currently nature-based, may however change in the near future. Recent geological exploration point out to the presence of potentially large off-shore hydrocarbon reserves.

¹³ ibidem
¹⁴ <http://www.imf.org/external/data.htm>

Figure 5. Cartography of the petroleum licenses¹⁵



In particular, a 2012 study by the US Geological Survey (USGS)¹⁶ estimates the prospect of extracting 2,394 million barrels of oil, and substantial natural gas and liquid natural gas deposits within the EEZ, the exploitation of which could generate to the country three times the revenue currently obtained from tourism, over a finite period of 20 years. In June 2013, the Government of Seychelles announced the re-opening of offshore exploratory drilling in Seychelles' offshore area. Currently, there are two oil companies¹⁷ exploring in Seychelles and two new applications have been recently received by Petro Seychelles¹⁸. Even though it may take years before any well becomes productive, it is likely that both the Inner the Outer Islands' environment will soon experience the impacts from the intensification of oil and gas prospecting activities.

¹⁵ http://www.petroseychelles.com/images/pdfs/license_map.pdf

¹⁶ US Geological Survey, 2012, Assessment of undiscovered oil and gas resources of four East African geologic provinces. <http://pubs.usgs.gov/fs/2012/3039/contents/FS12-3039.pdf>

¹⁷ AFREN, a UK listed company, and WHL Energy, an Australian listed company

¹⁸ <http://www.petroseychelles.com/index.php/blocks-licensing/currently-active-licenses>

1.1.3 Project purposes

In this context of increased needs to address the threats and root causes of biodiversity loss, the project will enable to put in place a consolidated framework for the financial, operational efficiency and coherency of the current disconnected assemblage of Protected Areas (PA). It will design an integrated new national system of PAs, with aligned management standards and efficiencies across its constituent PAs. This will ensure sustainable financing for PAs in the short- and medium-term, and provide the basis for the expansion of Seychelles' PA estate in the future. Within a rapidly shifting economic and financial environment for Seychelles, two complementary streams of action will be part of this intervention: 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 (Component 1); and developing and testing a suite of tangible mechanisms and approaches to generating income to the PA system (Component 2).

Under these 2 Components, two core Outcomes will ensure the achievement of the project objective. Under Outcome 1, a Protected Area System (PAS) Investment Plan is developed to direct the long-term sustainable financing of the overall system and PA management capacity improved at site, institutional and systemic levels, thereby contributing to the overall national conservation agenda where some of the key systemic constraints are found. Under Outcome 2, the work will be more specific. The project will see that 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.

The project approaches the issue of PA finance by analyzing the flows in and out of the PA system, including by differentiated institutional management structures and by clarifying and categorizing the structures as well as their ability to generate incomes. These include state and parastatal entities, private sector and quasi-private structures. The improving of the financing aspects of conservation worth together with these various structures will be the primary object of the project.

1.2 Issues being addressed by the project

The Seychelles PA System (PAS) currently consists of 25 PAs (terrestrial, marine and combined) totaling 55,769 ha. In 2000, the President of the Republic of Seychelles made a commitment to declare 50% of Seychelles terrestrial area under biodiversity conservation. In terms of terrestrial PA coverage, Seychelles has one of the highest ratios in the world, with 47% of its total land reserved for protected areas (i.e. 209 km²).

Furthermore, the process of proclamation of 8 new protected areas sites in the outer islands and 3 sites in the inner islands is on-going to expand the PAS to 149,045 ha, almost tripling the gazetted area.

In addition, in 2013, the government announced its intention to proclaim 30% of the EEZ, a further 200,000 km², is to be protected of which 50% will be a no-take zone, in exchange for debt cancellation negotiated with the Paris Club. A marine spatial planning exercise of the EEZ with the support of The Nature Conservancy (TNC) started in 2014 and should be finalized in the course of the year 2015. It will be an important step in determining areas for protection.

However, while the expansion of the PAS creates the potential for improved protection of the Seychelles terrestrial and marine biodiversity, the financial implications of the expansion and the needs for sustainable management of the existing and the expanded systems have not been properly considered.

The management of Seychelles' current PAS is split between several different entities, and is neither integrated nor coherent. Individual sites are managed independently of one another. There is a general agreement that the management of most of the sites can be improved. In order to achieve even basic management goals in the current PA system, the annual financing gap, calculated at around 2.7 million USD ought to be closed; for optimal management this gap is over 6.5 million USD. With respect to the new areas, the capacity and financing for even basic management is simply not there.

There is a strong commitment from the Government of Seychelles to expand the PAs in the country. However, the PAS is more an assemblage of sites and institutions with various management modalities; hence, the system is not managed in a holistic way to optimize the total value of the system. There are important gaps into the economic, regulatory and accountability frameworks at the system's level in which institutions and individuals could operate. These deficiencies and the lack of capacities at different level are preventing to have a clear overview of the financial standing of the PAS – and its sub-systems – in terms of revenues, expenditures, financial needs, management and cost effectiveness.

On the one hand, the diversity of entities and modalities involved in PA management represent a strength. It allowed Seychelles to test different types of mechanisms for PA management and to leverage considerable international support for it.

On the other, the lack of centralized management and of cross financing of PAS has resulted in significant discrepancies between the prospects of earning revenues and sustainability from one PA to another, as well as from one sub-system to another. Some sites are neglected, while others are flourishing.¹⁹

As Seychelles, advances in addressing various aspects of its conservation agenda, it is important to consider the impact of these imbalances in the overall 'conservation effectiveness' of the PAS – i.e. how effective is the system, and its constituent sub-systems and sites, in functioning as 'biodiversity storehouses'.

A hypothetical situation to illustrate the negative consequences of PA finance discrepancies would be if a rare bird species is further pushed towards extinction, because the only site that harbored it lacked funding to keep in place minimum protection from poaching. All in the while, another site close by receives significant revenue from tourism but plays no role in rare species conservation. One would conclude that there is clear problem in the set-up. While this is a hypothetical and extreme scenario, the PPG analysis has found out that the trends rooted in the current discrepancies need addressing.

Beyond the discrepancies, the current level of funding does not support even the basic management of certain PA sub-systems as shown by the calculation of the financial gap of the PAS for the basic and optimal management needs. Thus, there is a need to explore the possibility to increase the flow and the generation of funding into the PAS, through different financial mechanism to support the expansion of the PA network. There is as well the need to introduce measures to improve cost, management and conversation effectiveness, both at the site and at the system's level.

¹⁹ E.g. one 'high-revenue' site can earn up to \$26,000/km²/year and, due to arrangements, it must be fully sustainable from a financial point of view. Other sites, such as those managed by the Department of Environment, are 'financial sinks' with no prospect of ever earning revenue. Yet their maintenance and protection from poaching is essential for the conservation of rare endemic birds and other species. While all sites are thought to play a differentiated but complementary role as 'biodiversity storehouses' in the PAS, the discrepancies in financial conditions are far from matching the conservation needs.

1.2.1 Threats to biodiversity and ecosystem services

The biodiversity and ecosystems of the Seychelles islands are fragile and continue to be threatened by human actions and interventions such as the introduction and spread of alien invasive species, rapid housing and infrastructure development on coastal areas, forest fires, unsustainable extraction of natural resources mainly from overfishing and climate change.

Also, climate change is expected to have a major impact on Seychelles' biodiversity.²⁰ The functionality of certain ecosystems is especially vulnerable to environmental variations associated with changes in sea level, increased sea temperature, ocean acidification, change of rainfall patterns all of which can be traced to climate change²¹.

1.2.2 The current situation of Seychelles' Protected Areas

Protected areas in the Seychelles have been established since the seventies in order to protect its unique biodiversity endowment and land and sea scape values. Seychelles has invested heavily in conservation. The protected area system remains the most important vehicle for conservation.

The current estate covers 55,726 ha (38% terrestrial and 62% marine). The terrestrial estate went from just over 3,000 ha in 1970's to almost 21,000 ha in 2010 which represents 47% of the landmass. Two sites alone account for more than 80% of the coverage. Around a third of Seychelles' land area is the atoll of Aldabra, which is protected by a triple gazettal state (Special Nature Reserve, World Heritage Site and Ramsar site), while a further third is the island of Mahé. Also, much of the mountainous landscapes on Mahé are dominated by the Morne Seychellois National Park with 3,102 ha or 19% of the main island's land surface.

Various sites and islands enjoy a fair level of protection: e.g. Praslin, Silhouette, Cousin, Aride, Curieuse. Regarding Morne Seychellois National Park, its integrity is being largely maintained, despite intense competition for land use.

Table 1. The Current Protected Areas Estate in Seychelles²²

Designation Type, IUCN Category	Official Name	Management Authority	Terrestrial Area (ha)	Marine Area (ha)	Total Area (ha)
Special Reserve	Cousin Special Nature Reserve	Nature Seychelles	27	128	155

²⁰ <https://www.ipcc.ch/report/ar5/wg2/>

²¹ See State of Environment Outlook Report 2014, Republic of Seychelles, for more information.

²² Numbers and notes were updated since the PIF, after double-checking PA surface area data and consultation with stakeholders. Refer to Table 20 further down for the data source.

Designation Type, IUCN Category	Official Name	Management Authority	Terrestrial Area (ha)	Marine Area (ha)	Total Area (ha)
Cat. Ib	Aride Island Special Nature Reserve ²³	Island Conservation Society	68	0	68
	Aldabra Atoll Special Nature Reserve	Seychelles Islands Foundation	15,260	28,120	43,380
	La Digue Special Veuve Reserve	Seychelles National Parks Authority	21	0	21
	Recif Island Special Reserve	Department of Environment	13	0	13
	Vallee de Mai	Seychelles Islands Foundation	19	0	19
National Park Cat. II	Silhouette Island National Park	Seychelles National Parks Authority in collaboration with Island Conservation Society and Silhouette Foundation ²⁴	1,860	3,045	4,905
	Moyenne Island National Park	Private	9	0	9
	Morne Seychellois National Park ²⁵	Seychelles National Parks Authority	3,102	0	3,102
	Praslin National Park	Seychelles National Parks Authority	530	0	530
Nature Reserves Cat. IV	Beacon, Booby, Boudeuse, Etoile, Ile aux Vaches, Les Mamelles, King Ross	Department of Environment	10	0	10
Protected Area IUCN Cat. II	Iles Cocos, Ile La Fouche, Ilot Platte	Seychelles National Parks Authority	1	0	1
	African Banks	Ministry of National Development	1	819	820
Marine National Park Cat. II	Baie Ternaie	Seychelles National Parks Authority	0	87	87
	Curieuse	Seychelles National Parks Authority	0	1,176	1,176
	Port Launay	Seychelles National Parks Authority	0	30	30
	St. Anne	Seychelles National Parks Authority	0	1,400	1,400
Total			20,921	34,805	55,726

²³ The island area is 73 ha, but in certain texts, only 68 ha were considered as PA. The results of recent review of PA legislation inconsistencies could mean that this will change. In addition, 200 m legally protected exclusion zone around the island could be incorporated in the PA, but we have not included here. The IBA is 173 ha, so this is likely the total area, once the gazettal decree can be regularized.

²⁴ The standing collaboration will involve Island Conservation Society for management and Silhouette Foundation resource mobilization. Refer to the METT for site "Silhouette Island National Park, Silhouette Island Marine National Park" in [Annex 3](#) for more details on the PA management arrangements for Silhouette.

²⁵ In several texts, the surface area of Morne Seychellois National Park appears as being more than 3,000 ha (3,102 ha in some texts and 3,045 ha in others). In addition, there were some revisions made to the boundary in 2013, but these did not change the total area significantly. At the same time, the results of a recent review of PA legislation inconsistencies appear to show that the surface actually gazetted is more likely 3,044 acres (or 1,232 ha). While this may hold after cross-checking, the report of the mentioned study is neither final nor official. Hence, for this table we consider 3,102 ha for Morne Seychellois, as part of the existing estate. The new boundary of the park is being reviewed. In the METT assessment, the more accurate surface of 1,232 ha was used.

While terrestrial ecosystems are reasonably well covered, Seychelles' marine environment enjoys only limited protection with 34,805 ha gazetted as marine PAs, all of which are no-take zones, but representing less than 1% of the EEZ.

The current PAs estate in Seychelles was developed during the last 40 years. The proclamation process was based on limited scientific survey and information and it had its focus mostly on tourism opportunities. More recently, spatial targets and priorities have been provided through spatial analysis on marine and terrestrial protected areas: a 2015 analysis has assessed the current distribution of protected areas against different habitat types and has provided a spatial prioritization analysis, which is an assessment of threat status, protection level, and the distribution of important biodiversity which determines where conservation actions should be focused²⁶.

In addition, while a recent scientific assessment of marine and terrestrial key biodiversity areas (KBAs) was carried out in 2013, the results of this assessment have not yet been formally integrated into the protected area expansion strategy.

There is also no analysis of how the current PAS design could, or should, mitigate against environmental variation caused by the effects of climate change.

1.2.3 Main institutions in charge of the management of PAs

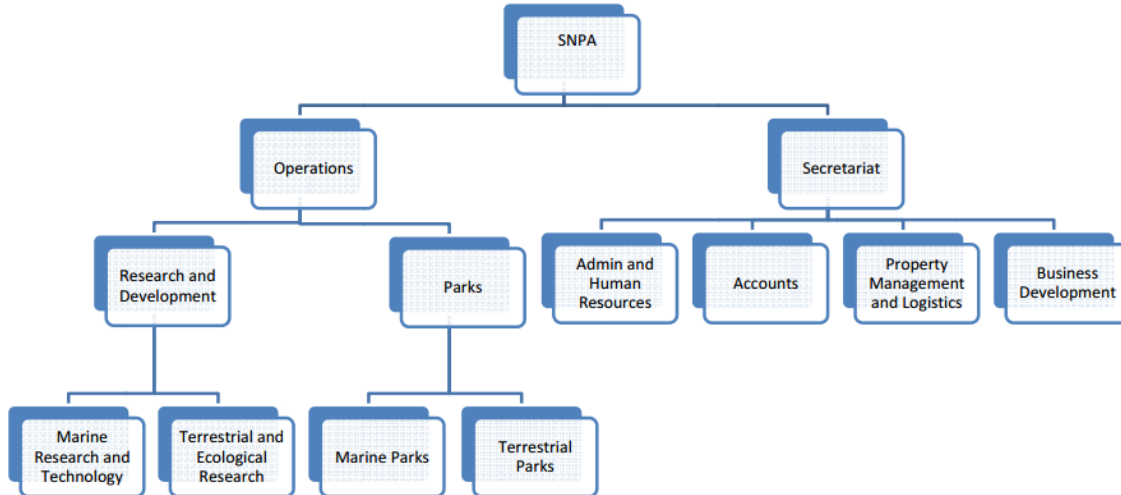
PAs in the Seychelles are managed by different entities under varying administrative arrangements. The current assemblage of PAs has come about in a largely progressive manner over the last 40 years mostly focus initially on tourism opportunities. Institutions have developed different management model adapted to their sites which in some cases have demonstrate to obtain impressive results in terms of conservations objectives. However, this assemblage of PAs under different management modalities has prevented as well to have an overview of the PAS in terms of conservation effectiveness and management effectiveness.

On the Government of Seychelles' side the responsible institutions are the Seychelles National Parks Authority (SNPA) and the Department of Environment (DoE), both under the Ministry of Environment, Energy and Climate Change (MEECC), and the Ministry of Land Use and Housing (MLUH). The latter is responsible for managing the African Banks site in the Outer Islands, but for reasons not correlated to biodiversity conservation.

SNPA was created in 2009, superseding the now defunct Seychelles Centre for Marine Research & Technology (SCMRT) on one side, and the Marine Parks Authority (MPA) on the other side, and maintaining its core PA management functions, though extending it to terrestrial areas. SNPA is primarily responsible for managing national parks (IUCN category II PAs) in the Inner Islands, which currently represent 11% of the PA estate. DoE is directly responsible for conservation in seven very small, but critical sites (the largest is Recif Island Special Reserve at 13.2 ha), where strict protection applies (IUCN category I PAs).

²⁶ Workshop – Seychelles Nation 14/01/2015 conducted by Dr Rebecca Klaus <http://www.pcusey.sc/index.php/component/content/article/84-news/156-marinespatial-news>

Figure 6. SNPA institutional infrastructure



Another key PA managing entity is the parastatal Seychelles Island Foundation (SIF), a public utility trust established in 1979 to manage the country's two World Heritage Sites (WHS) – namely Vallée de Mai, within Praslin National Park, and the Aldabra Special Reserve. The Chairman and Trustees of SIF are all appointed by the President of the Republic of Seychelles.

Together, the two WHS represent 78% of the current PA estate, but likely only 29% of the expanded one (pending expansion of the marine protected area around Aldabra, which is currently being surveyed).

Another key PA player is the Island Development Company (IDC). IDC was established in 1980 as a state-owned company responsible for the management of twelve Outer Islands (Platte, Desroches, Marie-Louise, Remire, Desnoeuf, Alphonse, Providence, Farquhar, Cosmoledo, Astove and Assumption) and two Inner Islands (Silhouette and Coetivy). IDC's mandate is to provide and manage the infrastructure of these islands in order to facilitate their ongoing sustainable development. The company has, in turn, partnered with the Non-Governmental Organization (NGO) named Island Conservation Society (ICS) to act as its primary advisor on issues relating to conservation. Both IDC and ICS are expected to assume responsibility for the management of most, or possibly all new PAs in the Outer Islands under State' responsibility. ICS is as well managing Aride Special Reserve.

In addition, the private sector and NGOs in general play a key role in PA management in Seychelles. Formed in 1998, Nature Seychelles (NS) is the national affiliate of Birdlife International, the largest environmental NGO in Seychelles, and it manages the Cousin Island Special Reserve. Moyenne is a private island national park and a successful conservation story.

Owners of private islands in Seychelles often partner up with NGOs to carry out conservation work, eradication of Invasive Alien Species (IAS) and ecosystem rehabilitation. In the case of D'Arros and St. Joseph Islands, the NGO Save Our Seas Foundation has been active, and on North Island and Denis Island, Wilderness Safaris and the Green Islands Foundation (GIF) are respectively responsible for management. Marine Conservation Society Seychelles (MSCC) is another active conservation NGO that that proposed the implementation of temporal marine protected areas for the protection of cetaceans and other migratory marine species.

A parastatal organization created in 1984, the Seychelles Fishing Authority (SFA)²⁷ is nominally responsible for the management of all Shell Reserves and Fishery Reserves (areas set aside for the conservation of specific species), as well as enforcement of the Fisheries Act from 1987. There are proposals for integrating both types of reserves into a broader notion of 'protected area', alongside with 'areas of outstanding natural beauty'. This is provided for in the PA Policy, not yet in the Law. The other important stakeholder, the Fishery Boat Owners Association (FBOA), is also involved in the process.

With the adoption of the PA policy in 2013, the Government of Seychelles is committed to measure the management effectiveness of the PAs in Seychelles. The management effectiveness of PA reflects three main themes: design issues relating to both individual sites and protected area systems; adequacy and appropriateness of management systems and processes; and delivery of protected area objectives including conservation value.

1.2.4 Perspectives for strengthening the PA system and its management

In 2000, the President of the Republic of Seychelles made a commitment to declare over 50% of Seychelles terrestrial area under biodiversity conservation. This commitment can be considered largely achieved with 47% coverage. In addition, efforts have now started to towards committing over 30% of Seychelles marine area as protected (200,000 km²), half of which will be declared as no-take zones.

The proposed expansion of PA includes:

- 8 new areas protected areas in the Outer Islands: (i) South Island Farquhar National Park; (ii) Goëlletes Island (Farquhar) and Banc de Sable Special Reserves; (iii) Grand and Petite Polyte Cosmoledo Special Reserve; (iv) Grand Ile (Cosmoledo) Area of Outstanding Natural Beauty; (v) Saint Françoise and Bijoutier National Park; (vi) Assumption Island National Park; (vii) Desnoufs Island Area of Outstanding Natural Beauty; (viii) South Island (Poivre) National Park, (viii) D'Arros Island (privately owned, as per Presidential Memo of 2011).
- new protected area in the inner islands: North and Denis Islands (both privately owned).

When these plans realize, they will expand the PAs to 150,000 ha, almost tripling the area under protection.

These changes in the PA estate will have important implications for the current balance of responsibilities in the management of PAs in Seychelles (the next table provides an overview). This, in turn will also have a bearing on PA finance and on any strategies at PAS level that can be developed.

The same analogy would apply to the plans for proclaiming a significant portion of the EEZ as marine protected areas through the marine spatial planning exercise. It is however too early to have more clarity on the full financial bearing beyond what is enshrined in the debt cancellation agreement.

²⁷ <http://www.sfa.sc>

Table 2. The expected Protected Areas expansion in the Seychelles²⁸

PA site	Management Authority	Terrestrial Areas (ha)	Marine areas (ha)	Total Areas (ha)
Proposed protected areas in the outer islands				
Desroche	IDC-ICS	369	34,300	34,669
Alphonse, St. Francois and Bijoutier	IDC-ICS	161	12,830	12,991
Poivre (South Island	IDC-ICS	137	2,838	2,975
South Island Farquhar and Banc du Sable / Ile Goelettes	IDC-ICS	368	22,290	22,658
Cosmoledo Grand Ile, Grand & Petite Polyte	tbc	164	2,400	2,564
Desneufs	tbc	39	800	839
Assumption	tbc	482	10,000	10,482
D'Arros	Save Our Seas Foundation	135	4,000	4,135
<i>Sub-Total (1)</i>		<i>1,855</i>	<i>89,458</i>	<i>91,313</i>
Proposed protected areas in the inner islands				
North Island	Wildlife Safari ²⁹	159.7	902.5	1,062.2
Denis Island	Green Island Foundation	148	2,244	2,392
Curieuse Island National Park (complementing already declared marine area)	SNPA	152	0	152
<i>Sub-Total (2)</i>		<i>459.7</i>	<i>3,146.5</i>	<i>3,606.2</i>
Total (1)+(2)		2,314.7	92,604.5	94,919.2
Expected total surface of the expanded PA estate		23,235	127,410	150,645

²⁸ Following guidelines in the 2013 PA Policy document. Numbers were updated since the PIF, after double-checking PA surface area data and consultation with stakeholders. Refer to Table 20 further down for the data source.

²⁹ Often in partnership with Green Island Foundation (GIF).

Table 3. Evolving PA management status and arrangements in Seychelles³⁰

Type of PA managing authority	Total hectares in the <i>current</i> PA estate	% of total coverage in the <i>current</i> PA estate	Total hectares in the <i>expanded</i> PA estate	% of total coverage in the <i>expanded</i> PA estate	Notes
Government	7,190	12.90%	21,227	14.09%	1
Parastatal	43,399	77.88%	43,399	28.81%	2
Parastatal-NGO partnership	4,973	8.92%	78,266	51.95%	3
NGO	155	0.28%	4,290	2.85%	4
Private	9	0.02%	3,463	2.30%	5
Total	55,726	100.00%	150,645	100.00%	

Notes

[1] This includes SNPA, DOE and MLUH and “expanded” includes the Curieuse marine PA.

[2] It covers the SIF sites: Aldabra & Vallée de Mai.

[3] This covers the IDC-ICS sites, including Aride and the new Outer Islands PAs. It also includes Silhouette Island National Park, will be managed through the partnership SNPA-ICS-Silhouette Foundation.

[4] This includes Cousin under current status and D’Arros/St. Joseph in the expanded PA estate.

[5] This covers Moyenne under the current situation and North & Denis islands under expanded PA estate.

1.2.5 Policy, legislative and regulatory context

Protected areas are regulated under different pieces of legislation, notably the National Parks and Nature Conservancy Act (1969, as amended), the Wild Animals and Birds Protection Act (1961), the Wild Birds Protection (Nature Reserves) Regulations (1966) and the Protected Areas Ordinance (1967).

An important and recently approved policy document is the 2013 Protected Areas Policy, which sets a framework for the establishment, categorization and management of PAs.

Other Acts supporting the implementation of PA legislation, particularly in respect of development controls and species protection (marine turtles, certain sea bird species, whale sharks and marine mammals), the Environment Protection Act (1994); the Forestry Reserves Act (1955); the Fisheries Act (1987) and the Town and Country Planning Act (1971).

In [Annex 6](#), a thorough the following legal and policy frameworks and how they relate to the subject matter of this project is included:

- Foundational Legislation on Protected Areas
- The 2013 PA Policy
- The 1994 Environment Protection Act (EPA)
- The Marine Spatial Planning (MSP) Initiative
- Seychelles’ National Biodiversity Strategy and Action Plan 2015-2020
- Seychelles’ Sustainable Development Strategy 2012-2020
- The Blue economy in Seychelles

³⁰ Numbers were updated since the PIF, after double-checking PA surface area data.

- The Public Finance Management Act
- Public-Private Partnership and the Investment Act

1.2.6 PA and existing and innovative financing mechanisms

Budgetary constraints on conservation activities are common occurrence and many developing countries face the familiar barrier of securing adequate funding from both central government and other accessible sources. The aim of the project is to introduce some sustainability in the revenue streams and financial autonomy for the improved PA network in the Seychelles. This requirement comes against a national budgetary squeeze that sees funding for the main conservation agencies (DoE and SNPA) as low priority, with annual allocations remaining stable (well below the amount requested) if not reduced (even further below the amount requested). This funding gap does not recognize the important of PAs as generators of tourist income, and is at odds with the stated ambition and commitment of the Government of Seychelles to expand the coverage of the marine protected areas and to introduce managed sustainable fishing areas within a wider EEZ.

In considering resource mobilization, funding sources are typically divided into categories of:

- Domestic or internal funding;
- International (external);
- Innovative funding mechanisms that may be both national and international in nature.

Each of these categories offers opportunities that can be evaluated in terms of criteria including their ease of collection, transparency, proximity, likelihood of dedication to specific PA use, etc.

As a starting point, a number of mechanisms for generating PA finance that could apply to the Seychelles as these were cited in a specialized publication (the “PINC” little book on conservation finance). These mechanisms are presented below.

Table 4. Brief analysis of mechanisms to generate finance for biodiversity and ecosystem services³¹

<i>Types of mechanisms</i>	<i>Currently in use in Seychelles and reverting to PA finance? [Y / N] Potential / issues. “X” for mechanisms to be directly explored or enhanced by this project</i>	
Domestic budget allocation	Yes, and important percent-wise, but limited in volume (trend analysis needed).	X
Official development assistance (ODA)	Yes, but diminishing (will be indirectly targeted through capacity building for rev. gen.)	X
Debt-for-nature swap	Yes, and currently in preparation and with good potential. See further down.	X
Subsidy reform	No, but potential (will be covered under BIOFIN – see section more on this under section 2.3.7 Synergies).	
Philanthropy	Yes, and increasingly important, but restricted to a few sites and may reach max potential soon.	
Complementing climate and	No, and likely not applicable to the Seychelles due to limited scale of forests prone to deforestation and degradation.	

³¹ Source: Global Canopy Programme (2010): *The Little Biodiversity Finance Book, A guide to proactive investment in natural capital (PINC)*.

<i>Types of mechanisms</i>	Currently in use in Seychelles and reverting to PA finance? [Y / N] Potential / issues. "X" for mechanisms to be directly explored or enhanced by this project	
biodiversity finance (e.g. REDD+)		
Direct payments for ecosystem services (PES)	Yes, in part, through bottled water sale; has potential, though local market is limited (probe).	X
Cap-and-trade market (e.g. applied to fisheries)	No, but has potential with territorial use rights for fisheries (TURFs).	
Baseline-and-Credit Market (e.g. biodiversity offsetting for oil & gas projects)	No, but potential; requires setting the 'baseline' high enough to generate biodiversity benefits.	X
Natural capital tax	No, but potentially relevant to Seychelles with respect to fisheries and tourism (explore).	X
User fee	Yes, but sub-utilized (enhance).	X
Bioprospecting	No, and legal framework not in place; recent studies point out to limitations in rev. gen.	
Greening commodities	No, and probably applicable only to fisheries; outside current project scope to explore.	
Aviation tax or levy	No, but potential. Possibly applicable only if regionally/globally adopted.	
Maritime tax or levy	No, but potential. Possibly applicable only if regionally/globally adopted.	
Financial transaction tax (Tobin tax)	No, and only applicable if globally adopted.	
Levy on insurance premiums	No, and only applicable if globally adopted.	

Four mechanisms for enhancing the revenue generation by and to the PAS are considered in more detail in [Annex 5](#):

- The debt-for-nature swap and the Seychelles Conservation and Climate Adaptation Trust (SCCAT)
- Payment for ecosystem services (PES)
- The Biodiversity impact mitigation hierarchy
- The current taxation system.

1.3 Barrier analysis and long-term solutions

1.3.1 The preferred long-term solution

Financial sustainability is a key element in ensuring the system's overall effectiveness and sustainability. Under an ideal scenario, Seychelles PAS should be more cohesive and functional, while still operating under diverse PA management arrangements. Conservation finance should be leveraged by Seychelles with more ease, including through innovative solutions. There should be clarity on financial in- and out-flows pertaining to conservation. In the long-term, funds should be channeled in a transparent and equitable manner to where the needs are. The financial gap will be gradually closed with increased conservation benefits.

For the country, this long-term solution implies to be in a better position to negotiate the stakes and opportunities for conservation linked to current and emerging threats to its biodiversity, and in a shifting economic environment.

The preferred solution proposed by the project is to improve the financial sustainability and strategic cohesion of the Seychelles Protected Area System in a shifting and dynamic national economic environment, while also dealing with emerging threats and risks to biodiversity.

1.3.2 Barriers to achieving the solution

The project adopts a barrier-removal approach to the PA finance problem outlined in the previous chapter. There are two sets of barriers that apply to this project:

Barrier 1) Systemic deficiencies and asymmetries between the PAs impede effective financial planning and allocation.

On the one hand, the country has accomplished much in terms of conservation. There is strong commitment from the Government of Seychelles to the PA agenda. These commitments have been stated in international fora and efforts to realize them are in progress. On the other hand, it is notable that the PAS is today more of a disconnected assemblage of sites than a system as such, due to a specific historical arrangement with numerous stakeholders with diverse interests and modus operandi. A usual system of PAs can be defined as one that would fulfil its role in conserving biodiversity from the point of view of key requisites, in particular, participation, ecological representation and effective management³², and one where its sites function as veritable storehouses of biodiversity. Sustainable PA finance is the means to this end and it has requisites of its own. In Seychelles, not all of the requisites are in place.

While it is positive that the PAS accommodates various types of management modalities and partners, this is more a result of *ad hoc* arrangements than of efforts to consistently share responsibilities, costs and benefits from PAs. The underlying deficiencies in the PAS ultimately boils down to issues of 'capacity' at various levels, the overarching one being the 'systemic' as it relates to the policy, economic, regulatory and accountability frameworks, within which organizations and individuals operate. For instance, there is currently no clear overview of the financial standing of the PAS with respect to revenues, expenditure and needs and cost effectiveness. As a result, financial transparency is limited.

The PA Policy sets out the commitment made by the Government of Seychelles to protect at least 50% of its terrestrial area and 30% of its marine environment (up to 15% of that as fisheries no-take zones). This commitment was given by the President of the Republic of Seychelles at the Rio+20 conference³³ in June 2012, but it does not clearly define the financing gaps. There is no trend analysis on financial flows, except for SIF, which prepared a Finance Strategy for one of its two sites³⁴. Yet, SIF's strategy focuses primarily on revenue generation and very little on the overall role and contribution of SIF-managed sites and sub-system to the PA system as a whole. It also ignores the impacts of currency fluctuations on trend analyses and projections. While SIF-managed sites display high levels of *management* effectiveness, as well as moderately high *conservation*-effectiveness, *cost* effectiveness is poorly assessed.

³² Drawing on key principles from the CBD's Programme of Work on Protected Areas (www.cbd.int/powpa)

³³ <http://www.uncsd2012.org>

³⁴ SIF (2012): Exploring Sustainable Financing Options for the UNESCO World Heritage listed Aldabra Atoll Protected Area System. Prepared by Ahab Charles W. Downer for the Seychelles Island Foundation. January 2012.

This latter issue is a concern across the PAS. Little attention is being paid to the various aspects of effectiveness (management, cost and conservation) and how they interplay. These asymmetries need to be better understood and addressed.

With respect to the other aspects of capacity for PA finance management, there are gaps at the individual level, as at the level of institutions. Taking the former, most successful initiatives by the stakeholders in charge of conservation in the Seychelles rely heavily on a few champions, who are highly motivated people. However, outside these individuals, there is a skills' deficit in the arena of PA finance. Turning to institutions, SNPA's case is instructive.

Although SNPA was initially conceived as an independent parastatal, its apparent profitability at a time of severe national financial stress (SNPA had a surplus, although in fact its investments in conservation were below needs) caused the Government of Seychelles to enact legislation that made the SNPA a treasury-dependent Government body, in a context of structural adjustments after 2008. It can no longer retain the fees it collects. The fee collection effort and amounts also declined markedly since, as this functioned as a disincentive to SNPA staff to apply effective management. What SNPA spends seems to be the bare minimum for even maintaining the *status quo*.

If SNPA's average expenditure per hectare of PAs managed is sizeable, it is due to the nature of the areas to be protected.³⁵ There are hence good reasons for this. One is that sites managed by SNPA suffer multiple (and some of the heaviest) human pressures, when compared with other sites. Management needs are thus high. Another reason is that there are no system-wide parameters for determining the optimal use of conservation funds at site level, not even at the level of individual sub-systems.

Finally, there are important gaps in terms of legislation. The current legal frameworks is patchy and incomplete for tapping into the various sources of conservation finance and using them effectively, which has a bearing on the delivery of conservation benefits altogether. This pertains to both what is considered as innovative conservation finance (e.g. debt-for-nature swaps, PES, watershed payment schemes, biodiversity or carbon offsetting, bioprospecting, green taxation, PPP), but also some of the traditional sources of finance (primarily fees, sales and fines). For the various mechanism that could be potentially used, certain laws, regulations and practices require review and revision – a system-wide analysis of which has not been carried out.

Barrier 2) Specific capacity deficits for leveraging PA finance have chronically kept revenue generation across the PA system below acceptable benchmarks for conservation effectiveness.

Current levels of revenue generation in most of Seychelles' PAs do not support even basic management, let alone the need to increase conservation effectiveness and performance of PA managing entities. Privately managed PAs with secured private investment through philanthropy seem have proved to be managed effectively, even if some areas, like Denis island and North island, have been assessed by the METT as being less effective than islands without private investment, such as Cousin, Aride and Aldabra islands. For instance, Denis Island get a METT score of 65 whereas Cousin Island gets 76.

³⁵ This was estimated at \$169.96 per hectare in average in 2013/4, which is rather high when compared e.g. with SIF (\$47.10/ha) and ICS (\$10.86/ha). DOE and Nature Seychelles display a much higher average, but are atypical cases that do not compare to SNPA's conditions (\$267.63/ha for DOE and apparently \$3,383/ha for Nature Seychelles' management of Cousin Special Nature Reserve). DOE manages only 23 ha in 8 very small sites requiring very intense management. As for Cousin, it is a rather unique example of intense re-investment of site revenues in PA management, as a means of continuing to attract visitation for, in turn maintaining financial sustainability.

Seychelles is yet to explore more fully the potential benefits from the various conservation and ecosystem services finance mechanism to generate the much needed revenue for its PAS. This includes both self-generated revenue from PAs, but also other traditional and innovative financing mechanisms, but for which the capacity to access them is limited.

Currently, the PAS retains 67% of the finances that it self-generates. Of all non-site-based revenue, approximately half comes from the Government of Seychelles and the other half primarily from donors. Many PA stakeholders would like to see innovation applied in leveraging revenues, but are unsure of what can be tried.

It is generally perceived that a key barrier is limited alternatives: and yet the full range of conservation finance and revenue generating mechanisms that could be applied have not been properly considered, nor has more thorough analysis of their potential been carried out. This barrier can be overcome, although the low-hanging fruit seems to be a focus on site-based revenue, including from tourism and direct use, but also the reinvestment rate of site-based revenues.

The management of PAs by governmental bodies is currently suboptimal due to the Government's own regulations which do not allow the PAs to retain their own revenues, restricting managers to minimal annual allocations from Treasury, and thereby preventing re-investment and diversification and discouraging private investment (PPPs). Donor funding for PAs is still very important, but this will not continue indefinitely. Donors will also be less willing to invest, if the Government of Seychelles retains essential PA revenue and is not returning funds in the same measure.

In addition, at present, most PAs in Seychelles rely on (admittedly increasing) high-end international tourism. This is likely to continue to be the mainstay of conservation financing, although this model could be vulnerable to impacts of natural disasters (e.g. tsunamis and climate change in the long run), or of a resurgence in piracy. Levels of visitation are high, but a more structured fee system is sub-explored.

Investments in PAs managed by SNPA are needed to make some of the sites more attractive. There have been huge investment in tourism infrastructure (hotels, restaurants, shops, diving and sailing facilities), but there are indications that only a small portion of these investments went to PAs' own infrastructures. Furthermore, tourism establishments do not link effectively with the PAs and do not feel engaged in conservation or in promoting PAs.

There are also clear inefficiencies in the management of revenue collection and of reinvestments. It is of key importance, as the PAS navigates its current expansion, that this is accompanied by active mobilization of alternative financing mechanisms. The types of capacities needed for generating revenues are very specific, both at the institutional and individual levels, and they are still incipient in Seychelles.

1.4 Baseline analysis

1.4.1 The financial baseline

The collective baseline investments made by SNPA, DOE, IDC/ICS for conservation work amount to 10.6 million USD over 5 years³⁶. The value of private sector and other NGO investments in the baseline scenario has been assessed at 14.8 million USD over a 5-year period. In addition, there is a baseline finance from the debt-for-nature swap for on-the-ground conservation activities and could reach 9.5 million USD over the next 5 years.

Together, all of these programs are either contributing directly to the advancement of the protected area agenda, implementing species management programs or working to improve conservation finance³⁷.

The current 'baseline scenario' points out to a strong commitment from various partners to support conservation action in Seychelles in different ways. However, there are visible gaps in the baseline investments and overall response. First, the overall financial gap for the PAS to produce an optimum conservation result was assessed at 6.7 million USD.

Under the basic management scenario, it is not less than 2.7 million USD and, over a 5-year period, it would reach some 13.6 million USD *ceteris paribus*. The gap is a symptom of the limited finance for even basic conservation activities (planning, implementing, monitoring, enforcing), but also for research, capacity building and the management of emerging threats and risks. The gap can become chronic and have more pervasive impacts at the PA system's level. Ultimately, limited funding will result in decreased PA management effectiveness, degradation of PA infrastructure and loss of PA values.

Without regular management, PAs will become more vulnerable to threats. Biodiversity will consequently be lost. In the case of Seychelles, the problem that characterizes the baseline scenario is aggravated by several factors. First, the government has made commitments to expand the PA estate and to engage a variety of partners in PA management. However, there is no clear policy framework for doing so, including on PA finance matters. Second, there is little clarity on what it implies to actually manage 20 million ha of seascapes for conservation and ecosystem-based adaptation. Thirdly, there is apparent incompatibility between the objective of managing up to 15% of the EEZ as protected no-take zones and recently signed international fisheries agreements that are a major source of Government revenue and have no such stipulation.

Finally, Seychelles and its PA system are not ready to face emerging threats and risks associated with the intensification of human activities in the Inner and Outer Islands, for instance with respect to oil and gas prospecting.

³⁶ SIF is already co-financing the Outer Islands GEF project, hence not considered in the calculations

³⁷ Other programmes pertaining to the management of fisheries resources and anti-piracy are excluded from this analysis. They represent several additional millions, but have limited direct relevance to project activities. Yet, fish stock management and the provision of military security services across the EEZ have a bearing on conservation.

1.5 PA Stakeholders' Financial Analysis

The PA system of the Seychelles involves a large number of stakeholders, such as i) governmental institutions and affiliates, ii) key players in the tourism sector, iii) technical, professionals, academic and/or scientific institutes, and iv) partners from the civil society. All these stakeholders were consulted from November 2014 to April 2015. Given the topic of the project, this stakeholders' analysis focuses more specifically on financial flows.

From the point of view of analyzing key financial flows, tables that follow present the financial situation of each key stakeholder. Together, these stakeholders cover approximately 85% of the expanded PA estate and pool the majority of PA finance flows. While the financial flows of some PA stakeholders were not analyzed (the remainder 15% of the PA estate), the 85% that was is certainly the most important part and where most needs currently are.

1.5.1 PA managed by State and parastatal institutions

Seychelles National Park Authority

SNPA manages 8 sites corresponding to only 11% of the current PA estate. It manages some of the most visited sites in Seychelles, which received 62,205 visitors in 2012.³⁸ SNPA has recently finalized a Strategic Plan for 2012-2017. SNPA is a budget dependent organization, provided with a Treasury allocation from the Government of Seychelles each year to meet all its expenses, including salaries and running costs. However, this was not always the case.

Since SNPA ceased being a financially independent authority, its financial sustainability has declined markedly to the point of affecting the level of service provision. It is now widely accepted that the SNPA should be allowed to manage its own revenues.

SNAP revenues are primarily derived from park entrance fees (200 SR per visitor) and related commercial activities (including harvesting of commercial tree plantations and natural products such as *coco-de-mer*, latanier leaves), plus rental of its facilities. SNPA has a staff complement of around 100 working in terrestrial national parks on trails maintenance, patrolling, fire-fighting, IAS control, vegetation management and research. Another 30 staff work in marine PAs on preventing illegal fishing, collecting fees, monitoring (beaches, turtles, removal of fish traps, lines, nets), installing mooring buoys and carrying out research. METT assessment confirmed that site-level management effectiveness is relatively low for SNPA managed parks and reserves.³⁹ All PAs have management plans, but these are outdated (need to be revised in line with the new PA Policy), but more importantly, many are not well implemented. As an example, large areas of the Morne Seychellois National Park are infested by IAS, with very limited active clearing.

SNPA collects 1.3 million USD per year in fees and licenses, primarily from marine sites. It does not yet charge any form of entrance fees to terrestrial PAs, although the potential for improving doing so is there (but currently not the incentive, as SNPA cannot retain its revenue). It spends approximately 1.2 million USD

³⁸ SNPA's own statistics, 2012.

³⁹ The average for seven sites was 56.9. It was respectively higher for island owners and SIF (76.0 and 78.0) and only lower for DOE (50.5), which manages only a few sites, and ICS (42.0) which is managing several sites at incipient stage of management.

per year in PA management, from the allocation received from the national budget. This is insufficient, not only when unexpected events occur such as forest fires in the Morne Seychellois National Park (e.g. in February 2015), but even for basic PA management activities, such as regular anti-poaching patrols. The financing gap for optimal conservation measures under SNPA has been initially estimated at 2.7 million USD per year and could reach 13 to 15 million USD over a 5 year period for a slightly better than basic management.

Table 5. SNPA financial analysis for PA management

Financial aspects	Year 2013 (USD)	Comments
Total budget allocated from the Government of Seychelles	1,452,970	
Revenue generated at PA sites	1,314,540	Currently, there is no retention of revenue at PA sites.88% are revenue related to tourism activity in marine parks.
Total PA generated revenues retained in the PA system for re-investment	0	If SNAP could retain its site level revenue, it would be equivalent to 90% of what Treasury allocates to it through the State budget. It would also cover 49% of basic management needs and 31% of optimal management needs. In addition, there several things that SNPA could do to enhance its revenue collection. Above all, it would create internal incentives within the organization for a more efficient and effective approach to their business.
Total actual expenditures for PA	1,259,236	
Estimated financing needs for basic management costs (operational and investments) to be covered	2,681,039	
Estimated financing needs for optimal management costs (operational and investments) to be covered	4,246,540	Optimal scenario include monitoring, enforcement, visitors handling ,major conservation and protection program and investment
Financial gaps for optimal management scenario	2,793,570	

The Department of Environment

DoE is directly responsible for conservation activities in seven, very small, but critical sites covering a total area of 23 ha. DOE does not manage actively these PAs. It ensures a presence of 4 months on Recif Island during the bird nesting season. Usually one visit a year is done to Bobby, les Mamelles, Beacon and Iles aux Vaches with the assistance of SNPA. Boudeuse and Etoile are located in the outer islands and have not been visited by DOE in the past 15 years.

Table 6. DoE financial analysis for PA management

Financial aspects	Year 2013 (USD)	Comments
Total budget allocated from the Government of Seychelles	6,660	Staff time of DOE is not included in the data
Revenue generated at PA sites	0	
Budget from the Environment Trust fund	16,154	
Contribution from SNPA	1,540	
Total available finance	24,354	
Total actual expenditures for PA	24,354	No active management on Boudeuse, Etoile
Estimated financing needs for basic management costs (operational and investments) to be covered	35,307	
Estimated financing needs for optimal management costs (operational and	41,846	

Financial aspects	Year 2013 (USD)	Comments
investments) to be covered		
Financial gaps for optimal management scenario	17,492	

Seychelles Island Foundation

Although isolated and remote, Aldabra WHS generates significant revenues through limited and impact-controlled ecotourism. In 2008, the revenues derived largely from tourism (circa 4.8 million SR equivalent to circa 0.6 million USD) exceeded the already considerable operating costs (circa 3.5 million SR equivalent to 0.4 million USD). It was the first time this PA generated a profit for SIF. In subsequent years, however, the threat of increasing maritime piracy originating from the Somali Coast has slashed the PAs' tourism related revenues dramatically. Tourist numbers to Aldabra went falling to below 1,000 per year, whilst transport and provisioning costs have more than doubled. As a result, Aldabra requires extensive and growing financial support, which reached about 11 million SR in 2012 (equivalent to about 0.9 million USD). This financing gap is currently covered by cross-subsidization from the other SIF-managed WHS, Vallée de Mai on Praslin Island. This PA receives around 80,000 visitors per year. Donor funding was obtained from 2011 until present (including both GEF and EU funds), but this is a small and temporary subsidy. Plans are in place to construct a Mahe-based 'Aldabra House' to generate tourism revenue from a near-Aldabra experience. This is though untried, such that the sustainability of funding conservation on Aldabra is uncertain in the long-run.

Considering these financial weaknesses, but also the current and near-future management and investments needs of both WHS, the financing gap for optimal conservation measures of the two PAs managed by SIF has been estimated as at least 1 million USD per year. With increasing transport costs to Aldabra, it could reach an amount comprised between 5 and 7 million USD over a 5 year period.

Table 7. SIF financial analysis for PA management

Financial aspects	Year 2013 (USD)
Total budget allocated from the Government of Seychelles	0
Extra budgetary funding for PA management	178,000
Revenue generated at PA sites	1,995,445
Total revenue available for PA management	2,173,445
Total actual expenditures for PA	2,044,050
Estimated financing needs for basic management costs (operational and investments) to be covered	1,860,000
Estimated financing needs for optimal management costs (operational and investments) to be covered	2,825,000

1.5.2 PA managed by CSOs and private sector entities

Island Conservation Society

In 2004 IDC signed a Memorandum of Understanding with ICS that appoints ICS as conservation advisors on all islands managed by IDC. ICS is managing 2 existing PA (Aride and Silhouette). Desroches, Alphonse, Poivre and Farquhar are proposed PAs and are the focus of the 5 years UNDP/GEF project entitled "Expansion of protected areas in the Outer Islands" which started in 2014. Three other sites in the outer

islands (Cosmoledo, Assumption, Desneufs) maybe proposed as PA under the management of ICS in the mid-term.

Costs and financial flows have been assessed with a reasonable level of confidence for 6 out of 9 sites (Aride, Silhouette, Desroches, Alphonse, Poivre and Farquhar).

Table 8. ICS financial analysis for PA management

Financial aspects	Year 2014 (USD)	Comments
Total budget allocated from the Government of Seychelles	0	
Donors	442,815	
Trust funds	68,889	
Corporate Social responsibility	109,852	
Revenue generated at PA sites related	217,209	92% is tourism related fees
Headquarter support	18,444	
Total available finance	857,209	
Total actual expenditures for PA	848,864	This is current spending for conservation activities at 6 sites (Desroche and Alphonse, Faquhar, Poivre, Aride and Silhouette). Activites are extremely low on Silhouette
Estimated annual financing needs for basic management costs (operational and investments) to be covered	2,520,282	
Estimated annual financing needs for optimal management costs (operational and investments) to be covered	3,658,244	
Annual Financial gaps for optimal management scenario	2,801,035	

With the proposed expansion of the PA estate, the IDC-ICS conservation partnership assumes an added responsibility. The added burden on the IDC-ICS consortium is significant even with the temporary co-support of the GEF funded and UNDP supported Outer Islands project. Also, on Silhouette Island, the third largest island in Seychelles, at the present the basic level of management are not met. The total financial gaps for the ICS-IDC partnership was estimated at 2.8 million USD/year for the optimum management scenario. But even basic management of the remaining new sites in the Outer Islands (Cosmoledo, Assumption, Desneufs) would require new investments, roughly estimated at 2 million USD per year, bearing in mind their scattered and isolated locations.

Nature Seychelles

Nature Seychelles is an NGO managing Cousin Island Special Reserve which is located next to Praslin. Nature Seychelles (NS) is a partner of Birdlife International. Visitors are guided around the island for a tour lasting around 75 minutes for a user fee of 500 SR. Cousin Island received around 10,000 visitors per year.

Nature Seychelles does not received any budget allocation from the Government of Seychelles. Even if it may need investment for improved infrastructures, this PA is financially self-sustaining. However, the PA is financing not just itself but the NS institution whose activities are largely off the island.

Table 9. Nature Seychelles financial analysis for PA management

Financial aspects	Year 2013 (USD)	Year 2014 (USD)	Comments
Total budget allocated from the Government of Seychelles	0	0	
Donors funds	109,723	169,210	
Revenue generated at PA site	398,276	398,866	97% are tourism related fees
Total available finance	507,999	568,076	
Total actual expenditures for PA	524,452	525,229	
Estimated financing needs for <i>basic</i> management costs (operational and investments) to be covered	538,460	538,460	
Estimated financing needs for <i>optimal</i> management costs (operational and investments) to be covered	692,308	692,308	
Financial gaps for optimal management scenario	184,309	124,232	

Private island owners in the inner islands

Denis Island and North Island are privately owned, respectively by Denis Island Development PTY Ltd, and Wilderness Safari. Both islands located in the inner islands are seeking the status of PA. The proposed PAs are currently managed by the Green Island Foundation (GIF), a local environmental NGO. The operation of GIF mostly relies on the financing provided by the developers of the islands representing 88% of the revenue of GIF. The management level is basic and only partially met due to the large marine PA proposed.

Table 10. Green Island Foundation financial analysis

Financial aspects	Year 2014 (USD)	Comments
Total budget allocated from the Government of Seychelles	0	
Donors funds	36,000	
Co-financing from hotel operations	337,132	Co-financing in kind staff time, travel, accommodation, equipment, etc.
CSR	9,000	
Revenue generated at PA sites	0	
Total available finance	382,132	
Total actual expenditures for PA	382,132	
Estimated financing needs for <i>basic</i> management costs (operational and investments) to be covered	491,437	
Estimated financing needs for <i>optimal</i> management costs (operational and investments) to be covered	619,541	
Annual Financial gaps for optimal management scenario	237,409	

Private island owner in the outer islands

D'Arros and St Joseph Atoll are privately owned islands and are seeking to obtain the status of PA. The process of proclamation is on-going since mid-2014. The proposed PA is managed and financed by Save

our seas Foundation⁴⁰ which operates in the optimal management scenario. No financial data were made available to undertake a financial analysis.

1.5.3 Summary of Financial Flows at the baseline

The financial baseline project for the PAS covers approximately 88% of the expanded PA estate and probably 80-90% of all PA finance flows. The analysis was based on the application of the Financial Scorecard for the PA managing entities listed above (SNPA, DoE, SIF, ICS, NS and GIF). Together, these six entities (and their respective 'sub-systems' of PAs) are managing a total PA area that represents 88% of the total expanded PA surface in Seychelles. The six PA sub-systems represent a reasonable proxy for the overall PAS. Conclusions on trends and conditions can be safely extrapolated to the entire PA system.⁴¹ Below is an overview:

Table 11. Financial Analysis of the National PA System: Summary

Financial analysis of main sub-systems of PAs covering 88% of the PA estate, as a proxy for the overall PAS (includes SNPA, DOE, SIF, ICS, NS and GIF)	Total Flows in Baseline Year 2013 (\$)
Available Finances	
(1) Total annual central government budget allocated to PA management, excl. donor funds site revenues retained	1,459,630
(2) Extra budgetary funding for PA management	1,327,549
(3) Total annual site based revenue generation across all PAs	3,925,470
(4) Percentage of PA generated revenues retained in the PA system for re-investment	67%
(5) Total finances available to the PA system [(1) + (2) + ((3) x (4))]	5,398,109
Costs and Financing Needs	
(1) Total annual expenditure for PAs (all PA operating and investment costs and system level expenses)[9]	5,083,088
(2) Estimation of PA system financing needs:	
A. Estimated financing needs for <i>basic</i> management costs (operational and investments) to be covered	8,126,525
B. Estimated financing needs for <i>optimal</i> management costs (operational and investments) to be covered	12,083,479
Annual financing gap (financial needs - available finances)	
Net actual annual surplus/deficit	315,021
Annual financing gap for <i>basic</i> management scenarios	2,728,416
Annual financing gap for <i>optimal</i> management scenarios	6,685,370
Projected annual financing gap for basic expenditure scenario (5 years)	13,642,080

⁴⁰ <http://saveourseas.com/>

⁴¹ The expanded PAS will soon have a surface of 150,645 ha, departing from a current and formal PA estate of 55,726 ha. As the formal expansion is imminent and PA entities are already managing their sites (even without the formal proclamation), it did not make sense to distinguish between a current and expanded PAS in assessing the gap, though this is suggested as in the PA finance methodology.

Table 12. Financial Analysis of the National PA System: Comparative parameters

Parameter of analysis	SNPA	DOE	SIF	ICS	NS	GIF	TOTAL / overall system analysed
Total surface managed by each sub-system (ha)	6,499	23	43,399	78,266	155	3,454	131,796
Of which, surface of NEW PAs managed by each sub-system (ha)	152	0	0	73,293	0	3,454	76,899
Sub-system's share of overall area managed	5%	0.02%	33%	59%	0.1%	3%	100%
Sub-system's share of total expenditure	25%	0.48%	40%	17%	10%	8%	100%
Average expenditure per hectare for the sub-system ^[a]	\$194	\$1,059	\$47	\$11	\$3,384	\$111	\$38.57
Basic needs per hectare fulfilled for the sub-system ^[a]	\$413	\$1,535	\$43	\$32	\$3,474	\$142	\$61.66
Optimal needs per hectare fulfilled for the sub-system ^[a]	\$653	\$1,819	\$65	\$47	\$4,467	\$179	\$91.68
Sub-system's share of overall gap under a basic mgt scenario ^[b]	45%	0.4%	-11%	61%	1%	4%	100%
Sub-system's share of overall gap under an optimal mgt scenario ^[b]	42%	0.3%	10%	42%	3%	4%	100%
Score for the assessment of elements of the financing system: Total score for the PA System / sub-system	9%	7%	18%	28%	22%	7%	16%

Notes:

- [a] Expenditure and cost-coefficients per ha are indicative, they refer to 2013 only (hence offering a limited picture) and represent a simple average for comparison purposes across sub-systems and between needs and current expenditure. They should be interpreted with caution and always with more background information on specific conditions of management. This information has been provided through the METT, but a more thorough analysis of the raw data and its evaluation will be carried out during project implementation, under Output 1.2.
- [b] The gap is calculated by deducting the financial needs from the available finances and it is shown in absolute values in Table 11. In this table, we show how the gap is distributed across the sub-systems. A negative value for the gap calculation means that the sub-system generated a surplus, rather than a gap in the given year for the scenario in question.

2 Project Strategy and Components

2.1 Project rationale and project objectives

The growing importance of PAs in the context of the Seychelles requires efforts to sustain financing, in a shifting context where the PA estate is undergoing a significant expansion and diversifying the PA management models.

Indeed, structures, education and laws that exist on PAs have served as fertile ground for the flourishing of a lively 'conservation sector'. Most entities involved in PA management in Seychelles have been rather successful in attracting conservation finance. However, the analysis shows that there are still major gaps. For instance, the new PA Policy addresses finance, but does not provide specific measures or funding mechanisms to enable a sustainable financing of the PAs. At the same time, with the expected implementation of the new Act, special attention should be placed on the importance and the need to strengthen financing in line with the national strategy.

With the project, PA management will be supported with new financing mechanisms in the new national PA policy, structures and mechanisms responsible for the sensitization and mobilization of local and foreign partners. Sites will be prioritized and developed to increase the coverage of PA in the Seychelles. This will have indirect impacts on the tourism sector, increase the financial and economic profitability of PA management, create jobs, and decrease the pressure on the ecosystems.

The project aims 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. It will thus contribute to the emergence of a favorable environment for PA management, favoring the extension of PA.

Through the project, the PAS will increase the flow of funding. The government's choice to extend PA estate is based on technical, economic, financial and legal criteria. The project will contribute significantly to the operationalization of the PAS as a whole and of the national PA policy.

In order to achieve this objective, and based on the project's barrier analysis which identified the problem being addressed by the project, its root causes; and the barriers that need to be overcome to actually address the problem, the project's intervention will produce two outcomes.

Project goal and objectives

The objective of the project is: 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.

The two outcomes are the following, each linked to a component:

- 1) 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.
- 2) 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.

2.2 Project components, outcomes, outputs and activities

Component 1. 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.

Outcome 1: *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*

Four outputs are expected under Outcome 1. The first will focus on the PA System Financing & Investment Plan. The second one will strengthen the links between improved financial management within the PAs and conservation results (effectiveness). The third and fourth outputs will focus on legal and institutional capacity enabling conditions. Most activities will be implemented by MEECC in close collaboration with SNPA, the Minister of Finance, Trade and the Blue Economy (MFTBE) and other PA managing entities. One activity will be under the responsibility of MCSS.

Part of the work at hand for outputs 1.1, 1.2, 1.3 and 1.4, but equally for outputs 2.1 and 2.2 under the next component, will be delivered through 'strategic consultancies', unless otherwise specified (Activity 1.3.4 will e.g. be slated to fall under MSCC's responsibility⁴²). The entire PAS will benefit from the strategic consultancies, but primarily SNPA. These consultants will also provide technical support to site-level activities under output 2.2.

The mentioned strategic consultancies will in part be offered to a specialized service provider (e.g. a reputed accounting firm) to be procured internationally and in part to individual consultants.

The corporate service provider will focus on financial assessments and in setting up new and modern financial flow systems, along with a database for delivering on challenge of linking cost, management and conservation effectiveness with each other (in particular with respect to output 1.2 described further down).

Else, individual consultants, both national and international, will also play a crucial role in the provision of technical assistance under this component and the next. At least one international consultant will be working on a long-term assignment (2-year is envisaged, but preferably 3 if funding permits) and supporting several

⁴² Described in [Annex 8](#).

aspects of activities. This person, the Strategic PA Finance and Economic Advisor⁴³, will be “embedded” in SNPA for better serving a key beneficiary under the project. Other medium and short-term consultants will equally contribute, in particular with skills in ‘Legal, Policy & Institutional Development’ (with focus on PA management), and in ‘Communications & Outreach’.

Detailed TOR will be developed during the inception phase of the project, as these are a foundational output, to be implemented early in the implementation of the project. For now, summary TOR are included in [Annex 2](#).

Output 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 or sub-system levels, and these become a key instrument for implementing the 2013 PA Policy

This output will set a landmark for a more holistic and strategic approach to the management of PA finance, coalescing the work of disparate organizations that currently manage sites, largely in isolation of each other, and converging action into a coordinated business approach and a cohesive management framework. It is directly responding to the 12th commitment of the 2013 PA Policy.

A PAS Financing & Investment Plan will provide a definitive baseline for available finance, expenditure, costs and the way these are distributed across the system. A more detailed assessment of needs, gaps and targets for investment will also be carried out, following an assessment of sites’ management effectiveness, which can be largely based on METT analysis.

This output also focuses on the development and initial implementation of PA Investment Plans, setting out appropriate financing mechanisms for sites and sub-systems. Most needs appear to be in the SNPA and ICS sub-systems of PAs. Investment Plans should focus on those and on their sites, first and foremost. Activities will equally clarify legal and institutional requirements, and set out measures to ensure the cost effectiveness of management.

Under this output, two key activities are proposed.

Activity 1.1.1)

A PAS Financing & Investment Plan is developed nationally and a model and examples of PA Funding Plans at the site-level are also developed, in order to assess financial needs of the PAS and lay the ground for achieving the established PA finance goals.

This will enable the update the financial baselines and may require to consider PA reclassification along with a more in depth assessment of needs for specific sites. While the PAS Financing & Investment Plan has a systemic focus, a simpler and user-friendly PA Funding Plans will be derived from it to be used at the site-level will also be developed. The latter starts with a model or template. It is then tested and improved iteratively.

In guiding the development of the PAS Financing & Investment Plan under this activity, the following are the suggested be the steps to be followed:

⁴³ The knowledge and experience in the other areas will include: PA management, PA Finance, Strategic Planning & Investment, Environmental Economic Assessments (e.g. on mainstreaming, offsetting, PES schemes), Public Policies, Institutional Development, Capacity Development & Training.

- An analysis of financial gaps at national- and site-level is carried out.⁴⁴
- Gaps are quantified and projected, in view of developing the PAS Financing & Investment Plan.
- Existing financial management systems are evaluated and improvement opportunities are identified.
- Appropriate financial leverage mechanisms are identified among national, international and novel funding mechanisms.
- Legal and institutional requirements for the implementation of the PAS Investment Plan and the site-level PA Finance Plans are defined.
- Cost-saving opportunities are identified.

PA Funding Plans will also be developed and tested in candidate sites with the aim of showing how site level financial management applies, providing PA managers a hands-on tool for improving individual sites' financial sustainability. Through testing and user feedback, a model for a PA Funding Plan is then consolidated and appended to the PAS Financing & Investment Plan.

Activity 1.1.2)

The PA System Financing & Investment Plan is submitted to the Cabinet of Ministers for approval, following a due consultation process, involving all relevant stakeholders through open and participative dialogue.

Output 1.2 Site-level cost-effectiveness and conservation-effectiveness benchmarks are established to guide decisions on investment, co-management, delegation and cross-subsidization

Besides finance, other key indicators should also guide the PAS development. Following the PA Finance & Investment Plan the Management Effectiveness Tracking Tool methodology (METT) will be applied in a much more consistent way across the system to improve management effectiveness. This will be linked to PA threat profiling. The METT exercise will also be linked to 'conservation effectiveness', where ecological indicators and specific METT scores on conservation security will be part of the analysis.

More specifically, there will be an investment in creating and maintaining a pilot data management system for Seychelles PAs, so as to facilitate a dynamic and combined analysis of both management effectiveness and PA finance parameters for sites, sub-systems and the entire system.

Efforts towards keeping the PAS will focus on sourcing and providing data to and from other relevant and publicly available data sets on PAs and biodiversity (e.g. WDPA, the global METT database being developed and other systems with focus on species and ecosystems).

This will complement other on-going work on mapping and expanding the knowledge on Seychellois biodiversity through home-grown systems, e.g. on the Key Biodiversity Areas (KBAs) and the Land Use Plans (LUPs), and the national environment and biodiversity database being established at MEECC, supported over the next years by the Outer Islands project.

Activity 1.2.1)

PAS cost-effectiveness analysis, management-effectiveness analysis and conservation management plans are harmonized across the Seychelles and across institutions.

⁴⁴ This will imply analysis of revenue, expenditure and several other parameters such as the level of visitation, visitors' profiles, fees, willingness to pay analyses, as well the effectiveness and patterns of expenditure vis-à-vis conservation goals.

Activity 1.2.2)

Site-level cost-effectiveness, management-effectiveness, and conservation benchmarks are established across the entire PAS, and performance objectives are set for each PA.

This will also require work on a stakeholder information needs assessment. SNPA will be responsible to implement the following steps to improve the revenue generation and management effectiveness:

- a) Management plans for Morne Seychellois and Praslin National Park, Veuve Reserve, Ste Anne MNP, Curieuse MNP, Ile Coco MNP, Baie Ternaie and Port Launay MNPs are currently outdated. SNPA will receive specialized support for updating them in line with the 2013 PA Policy, taking into consideration climate change issues and also the Blue economy concept.
- b) Benchmarks for management and conservation effectiveness will be established and regularly monitored. A databased will be created and maintained to managing and making use of that information. Cross-subsidization between PAs and PA sub-systems should be explored.
- c) Results of PA performance monitoring will be are integrated into PA management decision-making.

Funding permitting, other PA managing entities (possibly DOE and ICS) may also benefit from this activity, but the key beneficiary at this stage is planned to be SNPA, given the identified needs per PA sub-system.

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

Under this output, the legal framework for implementing a system-wide investment programme with funds from various existing and innovative sources will be put in place. Government funding, together with ODA, should be used catalytically to leverage additional finance. The project will be instrumental in ensuring this by focusing on missing regulations for: (i) more effectively exploring user fees, taxes and permits; (ii) ensuring that the debt-for-nature swap mechanism also contributes to PAs (in collaboration with TNC); (iii) creating the basis for an mitigation hierarchy and off-setting programme from oil & gas to effectively contribute to biodiversity safeguarding and PA management.

Activity 1.3.1)

Existing, traditional funding mechanisms are evaluated and strengthened, for instance the CSR tax and the entrance fees policy.

For SNPA, the activity will also enable it to identify business-as-usual development opportunities. Yet, achieving the expected results for SNPA under this output is contingent on addressing an underlying barrier linked to its status as a budget dependent institution, and which impedes SNPA from retaining site-based revenues, including but not restricted to park entry fees. The project will support this work inter alia by preparing legal texts and assessing the implications of proposed changes and strengthening the consultation process as needed.

The actual work of upgrading the institutional status of SNPA for removing the mentioned aforementioned barrier will be carried out under Component 2, Output 2.1, which reads "*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.*" The focus there is the revenue aspect per

se and success will be measured in terms of the volume, adequacy and sustainability of revenue streams. Under this Component, the work has a system and enabling focus. Yet, they complement each other.

Hence, under output 1.3, the project will focus on addressing the legal framework aspect of traditional funding mechanisms for SNPA (among them park entrance fees, but also others, such as fines, sale of souvenirs, operating concessions of different sort, etc.). In turn, under 1.4 the institutional capacity aspect is addressed. Both are but “two sides of the same coin”. The aim is to advance concrete and feasible proposals for exploring these traditional funding mechanisms in a much more utilitarian way for SNPA.

For other PA managing entities, the work will include creating incentives through the CRS tax framework. While already in use by several PA managing entities, there is scope for expanding it in many different ways and further facilitating the process of funding PA management through CRS.

Activity 1.3.2)

Potential new resource mobilization options are reviewed, at the site- and system-levels, and specific legal and institutional constraints identified, with a plan for addressing them developed.

This work will be closely linked with that under Output 1.4. There are three different streams under this activity, which will build on much of the work of BIOFIN, the SCCAT and a new ABS initiative in a synergistic manner:

- a) The first stream of work will focus on user fees (park entry, research or volunteering fees, other tourism and non-tourism fees, where regulations need improvements), and possibly also ‘green taxation’ (Payment for Ecosystem Services). Key partners for this work are government sectors under the coordination of MEECC (these may e.g. include finance, planning, internal revenue, enforcement, law-making, social protection and inclusion etc.), but also CSO and private sector partners working on PA management and related areas. The approach will be of focused study, consultation and decision-making.
- b) The second stream of work will include the identification of areas or habitats of biodiversity significance within PAs that require capital-intensive ecosystem restoration work and which could potentially benefit from investments in the context of biodiversity offsetting (linked to Activity 1.3.3). Through previous work under another UNDP-GEF project, Key Biodiversity Areas (KBAs) in Seychelles have already been identified and mapped. Geo-referenced KBA data is already being actively used by government in the discussions on extractive and infrastructural projects, particularly with respect to where impacts should be avoided. The work here implies a finer resolution analysis at the level of habitats, resulting in a set of priority polygons. The same approach of focused study, consultation and decision-making will also apply.
- c) The third stream of work, if applicable, targets the collaboration between this project and the advancement of the Marine Spatial Planning and SCCAT initiatives (closely linked to Output 2.3), but with a focus on the mainstreaming of these into the overall PAS Finance work, including with respect to legal readiness.

Activity 1.3.3)

Assess and develop the legal and regulatory framework for PES and impact mitigation / biodiversity offsetting in the context of Seychelles.

The environmental regulatory framework will be revised in the Seychelles (EPA and PA Act), which is an excellent timeframe to anchor the principle of PES and biodiversity offsetting mechanism in the regulation that frames the environmental impact assessment (EIA). Support will be provided to the MEECC to properly define the integration of PES and biodiversity offsetting in the EPA.

Activity 1.3.4)

Identified innovative funding mechanisms are tested on case study sites for the operationalization of Temporal Protected Areas on Inner Islands supported by the Marine Conservation Society Seychelles (MCSS).

This activity will be developed by MCSS and will enable the partner to test the concept of stewardship, and to consider new funding mechanisms in relation to the management of temporal PAs. It will consist in protecting one particular endangered species in the South of Mahe, the marine turtle, at critical stages as they transition through their life cycles / migratory paths while also enabling multiple usage of these areas over time thus allowing sustainable exploitation of other resources if needed. In order to do so, the new proposed mechanisms from the previous activities will be tested.

Refer to [Annex 8](#) for more details on the MCSS proposal and it is titled “*Temporal Protected Areas on Inner Islands*”.

Note on potential negative environmental impacts: Activity 1.3.4 will take place in various locations in the Mahe Plateau marine area, which not only contains several MPAs, but which is also the habitat of threatened marine mammals and other living organisms. MPAs are by default ecologically sensitive areas, where negative environmental impacts services should be avoided altogether. Where not possible to avoid, they should then be minimized. The risk of possible negative impacts of the activity on ecologically sensitive areas, along with applicable mitigation measures, had been noted in the Social and Environmental Screening (SESP) in [Annex 7](#). Boat traffic in sensitive areas in the Mahe Plateau should follow strict rules, especially in the presence cetaceans.

Output 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 enhanced

PA finance management capacities of SNPA and other PA managing entities will be strengthened in accordance with the needs of each agency. This output will focuses on specifically assessing capacity building needs for PA finance management and sustainability. It will help create the conditions for implementing institutional strengthening actions through specific barrier removal activities.

Activity 1.4.1)

Capacity-building needs of selected PA entities for PA finance will be specified and strengthened.

This will focus on specific capacities with respect to financial management, processes and systems, management-effectiveness, cost-effectiveness, conservation benefits, etc.. The work at hand will building directly from the needs identified in the 2015 PA management agencies capacity assessment.

Regarding SNPA, particular focus is given to the issue of financial autonomy. This includes capacity-building for improved revenue, expenditure, HR management and corporate strengthening. It will develop, discuss and implement strategies that enhance the SNPA’s agenda towards financial sustainability.

For all PA managing entities, the activity will also help create the conditions for these to make use of new funding mechanisms: i.e. specific capacity to identify, access, combine and sequence different sources of PA finance will be strengthened and become embedded in key PA managing entities, thereby contributing to closing the PA system's financing gap. Metrics at the system and sub-system level to assess the impact of capacity building measures will be developed, but will be largely based on the financial data and assessments made through the PA Finance Scorecard. Annual assessment of financial flows will become a standard. The assessment of PA Finance components in the Scorecard will be applied at least twice or three times again during the project's lifetime.

Under MEECC's purview, a stronger coordination and policy-setting role for SNPA vis-à-vis the entire PAS can also be envisaged and fostered, in particular with respect its technical monitoring function. SNPA's technical and policy development role will need strengthening for it.

Activity 1.4.2)

Communication and marketing capacities of SNPA will be strengthened in order to increase the attractiveness of the PAS and of specific sites.

Various sites managed by SNPA have a significant but sub-explored visitation potential. While under Output 2.2, the work of creating better attractiveness conditions on the ground will be carried out, here the focus is on the marketing potential.

The skills' set needed will be created and maintained within SNPA. A specialized consultancy will do it on a pilot basis and a sustainable path for skills' retention established.

Component 2. Increased and more reliable revenue generation for PA management

This component focuses specifically on revenue generation. It will explore the mechanisms selected as feasible. It will do that on-the-ground where PA managing entities will also have a chance to prove the concept behind the proposed mechanism. Appropriate metrics for monitoring the efficacy and effectiveness of these mechanisms and their implementation will apply.

Outcome 2: *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.*

Three outputs are expected under Outcome 2. The first will focus on changing the status of SNPA from a budget dependent authority to a more autonomous one. The second output includes a stream of activities, some are like 'mini-projects' within themselves, 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. A total of 14 activities are foreseen under it, under the responsibility of SNPA, SIF, NS, GIF and MEECC/DoE. The third and last output involves the operationalization of Seychelles' Conservation and Climate Adaptation Trust (the SCCAT). TNC has advanced proposals for it.

Output 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

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.

There is clear commitment from government to allow SNPA to retain the revenue it generates, and to reinvest this revenue in its PA system. However, achieving this is not solely an issue of commitment. 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. 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. 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.

A step-wise approach for fulfilling necessary conditions and upgrading of the institutional status of SNPA⁴⁵ will be followed. Much of the work of assessments, institutional strengthening and legal text revisions would have carried out under outputs 1.3 and 1.4. Under this output, the project will seek to make the change in status effective.

PAs own revenue collection and retention into the PA system are improved after a due assessment of the existing system and the presentation of proposals for viable systems. This is supported by adequate tracking systems and the implementation of a plan for revenue re-investment in line with the PAS Financing & Investment Plan. The work will involve a series of intra-government dialogues involving MFTBE, MEECC and SNPA, where results from assessments and capacity building measures will be presented, making the case for SNPA's increased financial autonomy.

Activity 2.1.1)

A review of the status of SNPA will be carried out in dialogue with MEECC and MFTBE and following their guidance, to pave the way for more SNPA to become more autonomous, institutionally and financially speaking.

Activity 2.1.2)

The revision of the decree on PA entrance fees is proposed for SNPA sites, to enable a system-level approach.

PA and resource users' willingness to pay for services rendered by or offered within or in connection with a PA is assessed and proposals for revisions are made on what fees can be charged and how they might be collected in practice, against the current fees level fixed by a "notice" of MEECC.

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

⁴⁵ This is with reference to the 'category' of parastatal that SNPA was placed after 2008 reforms.

attractive to visitors, increasing their own revenue generation capacity, while safeguarding and protecting their conservation value

Activities under this output are clearly 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. It will also upgrade infra-structures and provide equipment, where it is critically needed. do not aim at substituting government support by an increased site-level revenue, but to create leverage across several sub-systems. Government support is part and parcel of the equation through its solid co-financing to the overall project, and to these activities more specifically.

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.

At the level of targeted sub-systems, the annual revenue expected to be generated should be sufficient, for meeting at least the estimated financing needs of that sub-system. In a first instance, this will be under a “basic management scenario” of costs to be covered (both operational and investments). Later, an “optimal management scenario” will be targeted.⁴⁶

The aim is not necessarily to increase visitation across the board, though this could be a strategy for some sites, but to create better conditions for it, to the extent that it increases site-based revenue sustainably, without degrading the sites’ conservation values. More broadly, success under Output 2.2 will be measured in terms of the different sub-systems’ ability to generate revenue without degrading the sites’ conservation values (refer e.g. to [Logframe Indicator #9](#) and others linked to Component 2).

Note on the choice of sites:

For activities under this Output, sites have been selected on the basis of METT scores and the response to specific METT questions. It was also guided by needs, especially within the sub-systems of PAs that require greatest improvements towards closing the financial gap. More generally the choice focused on the maximum leverage that GEF funds could provide for making sites more attractive. There is also a requirement to actions contributing to safeguarding the sites’ conservation values, which takes precedence.

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.

- The first and second groups, includes sites such as Cousin with 10,000 visitors a year, and Praslin island, where Vallé de Mai is located and attracts some 80,000 visitors a year, but where Praslin NP itself is sub-explored and could be made more attractive.
- Curieuse Island is included 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 and

⁴⁶ With reference to concepts commonly used in the PA Finance Scorecard.

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.

- Aldabra House Visitor Center can be included in the second group of sites. Once established, it is likely to attract many visitors. Morne Seychellois is also part of the second group, given that visitation can potentially increase significantly, if only adequate infrastructure, signage and trails are in place.
- 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 with reference e.g. to activities that focus on a “sponsored adoption programme” and on other ones pertaining to novel financing mechanisms.

Note on potential negative environmental impacts:

Under this output, infrastructural work is foreseen to take place in eight 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). Both PAs and MPAs are by default ecologically sensitive areas, where impacts on biodiversity and ecosystem services should be avoided altogether; and where it is not possible to avoid impacts, they should then be minimized.

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, due diligence and impact reduction and mitigation, and, where mandated by law, may also be subject to impact assessment studies. These standards will be required as part of the procurement and contract monitoring process.

The risk of possible negative impacts of infrastructural activities under this output on ecologically sensitive areas, along with applicable mitigation measures, had been noted in the SESP in [Annex 7](#).

Note on the context for the GEF contribution:

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 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).

Activity 2.2.1)

Improved nature trails in selected SNPA sites are planned and implemented in Morne Seychellois, Praslin National Parks, La Veuve, and Curieuse.

All of these sites are managed by SNPA and each of them count on a network of nature trails in their terrestrial and most accessible parts. Some trails have not been properly maintained because of inadequate funding and limited capacity. Others had to be closed because the trails were unsafe for visitors. Some of the infrastructures (e.g. board walks, kiosks, and bridges) are not in good condition and need to be replaced completely.

Under this activity, work will be done to increase the attractiveness of terrestrial these PAs by renovating footpaths, cleaning and improving trail signage, and also repairing or improving infrastructures, especially those enabling to increase revenues (kiosks to propose guiding tours, publishing brochures and information notices, etc.).

Activity 2.2.2)

Renovation of La Digue Veuve Reserve Special Information Centre and effective fee collection, souvenir sale and other improvements.

La Digue Veuve Reserve Special managed by SNPA is often visited by tourists. However, currently there is not a proper information center at the entrance of la Digue Veuve Special Reserve and no fees are collected. This activity will lead to the renovation and extension of the current office to create an information centre and fencing of the area between the main road and the reserve to enable collection of revenues.

GEF will provide a subsidy for the works at La Digue Veuve Reserve Special, including the fencing. SNPA will need to seek alternative funding mechanisms and innovative approaches, for e.g. building the board walk and fence with new sustainable materials, and making the visitor's center particularly attractive (e.g. by finding private sector sponsors to the fence and board walk, concessioning out the functioning of a gourmet restaurant, etc. Ideas are to be explored.)

Activity 2.2.3)

Upgrading of Curieuse Island's the "Doctor's house".

On Curieuse Island the "Doctor's house" is a national monument and testimony of the remains of the leper colony on the island which has been not properly maintained. Although under the management of the National Heritage Department, there are no funds for its upkeep and there is a need to upgrade the exhibition materials and carry out the necessary maintenance works in the Doctor's house to showcase the history of the island and turn it into a paying visitors' attraction. This activity under the responsibility of SNPA, will produce high quality information and displays board and enable to renovate the "Doctor's house".

The installation of an outsourced refreshment facility, souvenir sale and the training of eco-tourism guides should also be considered.

Activity 2.2.4)

Improved surveillance equipment installed at the Iles Cocos and other marine PA, as needed.

Mooring buoys will be installed in marine PAs under SNPA management, especially Cocos marine PA, but possibly also others, to tackle the increase of boating activity (snorkling and diving, or mooring points for boats to wait while landing tourists in the case of Cocos). Most of the boats are using anchors and as a result, skippers with limited knowledge are damaging the corals. Mooring buoys and other surveillance equipment will facilitate the justification for entrance fees collection, as well as allow rangers to better do their job of stopping, searching and arresting poachers, and applying fines and other enforcement measures as necessary.

Activity 2.2.5)

Day campsite facilities are improved at the landing area of Curieuse Island Terrestrial Park, and concessioned out to local operators, regulating and facilitating the on-going barbecuing activities and other tourism related practices.

On Curieuse Island, two areas are available to receive tourists paying for barbecue lunches organized by their tour operators. These are free facilities being used by local operators to provide a meal service to the tourists. These areas are in poor conditions and lack hygiene. They will be repainted, ablution constructed, the fences at Baie Laraie damaged by tortoises will be improved, as well as the lighting for night barbecues area. Above all, the activity and use of the site will be regulated and the site made more attractive. A scheme for concessioning these areas out to local community operators (currently exploring the sites irregularly and without paying) will be piloted for generating an additional site revenue, likely to be considerable during the high season. Additional tables and benches will also be placed in the area due to the increase in demand, considering that it is planned for the site to accept evening visits in the future, but no overnights.

This activity is a good opportunity for SNPA to develop a Public Private Partnership agreement that could extend to provision of a small café/restaurant to cater for visitors not a part of organized tours. As a precursor to these developments, the activity will include investigations taking the form of a small study to develop a PPP agreement for Curieuse Island in line the PPP framework being developed by the MFTBE.

Activity 2.2.6)

A solar photovoltaic system will be installed on Curieuse Island including solar panels, batteries and other equipment to produce renewable energy to power the island.

At present, power on Curieuse Island is provided by generators. The implementation of this activity would simultaneously reduce noise disturbance to wildlife, promote the use of sustainable energy, reduce the expenditures incurred on the island by SNPA to generate power and at the same time reduce the site's carbon footprint. It will also make the site more attractive and quiet in the evening for visitors.

Activity 2.2.7)

Installation of a VHF system for effective communication at Praslin and La Digue with a sub-base at Fond Boffay and at La Digue.

A good communication system is critically important when dealing with illegal human activities and fire incidence. In order to improve the network of communication, this activity will install a VHF system for effective communication within protected areas of Praslin and La Digue with a sub-base at Fond Boffay and at La Digue. This is especially urgent given the current rapid expansion of poaching of the Coco de mer in the Praslin NP. As with activity 2.2.4, this is bound to have a positive impact on rangers ability to collect fees and charge fines.

Activity 2.2.8)

Guided glass-bottom boat experience ran by SNPA in a marine park to be selected on the basis of a ranger contest will be introduced as a revenue and job incentive generating mechanism.

This activity will improve the visitors experience and develop education awareness on marine life by offering paying guided tours on the marine parks managed by SNPA (using local community members as tour guides). It will include purchasing a boat with a glass bottom which will be used to transport visitors and for

education and awareness activities with schools. This activity will include the implementation of a service fee to be paid by tourists and schools. The exact marine site will be selected through a ranger group contest, creating a job motivation incentives to site-based rangers to get organized and make good proposals for the use of the glass-bottom boat.

Activity 2.2.9)

Basic paying accommodation for scientists, students and volunteers visiting PAs, on Mahe, Praslin and Curieuse Islands.

Many groups of scientists, students and volunteers visiting PAs regularly and require basic accommodation for research, educational and recreation purposes during their stay. This activity will provide suitable and paying accommodation for this target group on Mahe, Praslin and Curieuse Islands. On Curieuse, this will be restricted to scientists and volunteers with special permits, as overnight visitors are not allowed.

GEF will provide a subsidy for initiating a crowd-sourced challenge.

Activity 2.2.10)

Introduction of an integrated co-management approach to PA operations on Silhouette Island National and Marine Parks.

This activity consists of improving financing strategies to boost PA management via a co-management and integrated approach on Silhouette Island National and Marine Parks. Conservation activities are below the basic management level and this activity will correct this situation.

At the moment, there are very few activities proposed for tourists on the island although the very large hotel development has a correspondingly large number of potential paying clients. The various entities in charge of the management, IDC, ICS and SNPA, propose to work together and build a new conservation center on Silhouette. Visitors will be made to pay an entry fee which will go directly towards PA management. It is proposed to improve overall visitor experience on Silhouette Island to assist in generation of additional funds for PA management, and to clarify the role of SNPA, ICS, IDC and the Silhouette Foundation and their liaison with the hotel. This activity will benefit SNPA in order to strengthen its co-management responsibilities on Silhouette, in a new and innovative approach. SNPA will lead and be responsible for the budget for this activity.

Refer to [Annex 8](#) for more details on two the SNPA proposal:

- The first proposal is titled "*Priorities for new cost-effective infrastructures, practices, systems and schemes - Proposal for refining and further consideration by SNPA*" and refers to Activities 2.2.1 through 2.2.9,
- The second proposal refers to Activity 2.2.10 and focuses on a partnership between SNPA and ICS; it is titled "*Improving financing strategies to boost PA management via an integrated approach on Silhouette Island National and Marine Parks*".

Activity 2.2.11)

Co-participation of GEF in the development of the Aldabra House Visitor Center by Seychelles Island Foundation (SIF).

This activity will see the project participate in the development, production and commissioning of a world class exhibition space for the Aldabra House Visitor Center on Mahé, developed by SIF.

Refer to [Annex 8](#) for more details on the SIF proposal, titled “*Aldabra House - Concept development for a centre of excellence to increase public access to the UNESCO World Heritage Aldabra Atoll*”.

Activity 2.2.12)

Implementation of a “Voluntourism” Programme by Nature Seychelles (NS).

This activity will propose a sustainable funding mechanism, called “voluntourism”, sometimes known as ‘working holidays’ or ‘gap year’. The proposal is based on the concept that a paying volunteer program for Seychelles PAs will simultaneously deliver revenues, leverage additional capacity for work such as surveys, monitoring and research, and provide the “voluntourist” with a guilt free trip through carbon offsetting (credits) scheme based on the value of their contributed funds and voluntary work.

The project will support the design and roll-out of a new ‘paying voluntourism programm’ in Seychelles.⁴⁷ The proposed volunteer program will be tested by NS in Cousin and Amitié Praslin, before being replicated to other PA in the Seychelles. It will simultaneously deliver revenues to the PA system, and leverage additional capacity for work such as surveys, monitoring and research.

Refer to [Annex 8](#) for more details on the NS proposal, titled “*Sustainable Funding, Carbon Offsetting and Capacity augmentation through a Voluntourism Program for PAs in Seychelles*”.

Activity 2.2.13)

Levering pioneering the financial support from the private sector for creating and managing the first private PAs in Seychelles with support from Green Island Foundation (GIF).

This activity by GIF will assist the establishment of new private PA based and the consolidation of its management based on co-financing from the private sector. It will be tested on two islands, North Island and Denis Island and their surrounding marine areas, which are on the verge of being legally proclaimed PAs.

Refer to [Annex 8](#) for more details on the GIF proposal, titled “*GIF pilot project ‘Financing Protected Area management on private islands’ through the examples of Denis Island and North Island.*”

Activity 2.2.14)

Start-up PA management activities for Recif Island Special Nature Reserve by the Department of Environment, in view of threat averting and creating a revenue stream in the future.

This activity is targeting Recif Island Special Nature Reserve, inhabited and harboring rare habitats, the island is managed by DoE and was proclaimed a protected area in 2010. Departing from a baseline of no previous PA management, the activity will develop a conservation management plan to improve the management effectiveness of the reserve, to improve the communication network and effectiveness by purchasing appropriate telecommunication equipment, and to restore the habitat and eradicate the rabbits to improve availability of suitable nesting habitats for sea bird species.

⁴⁷ One such scheme is already on-going in Curieuse with the consent of SNPA, but without their involvement in the operations of the initiative and without this generating revenues to SNPA.

For a good 2-3 years, the management of Recif Island Special Nature Reserve is expected to be a cost sink, as the area has a very sensitive ecosystem and not yet rat-free. It is therefore not yet ready to receive visitors. If the development and initial implementation of the conservation management plan is successful, some visitation under very tight control can be considered, but primarily for research purposes. A fee system can thereafter apply.

Refer to [Annex 8](#) for more details on the DoE proposal, titled “*Improve Communication and management effectiveness; enhance and restore existing habitats and eradication of rabbits in Recif Island Special Nature Reserve.*”

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

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. This is estimated at up to \$285K per year.

The expected costs for SeyCCAT in its first years of operation prior to when SeyCCAT will receive any funding from the debt swap. This covers the calendar year of 2015 and 2016, but with start-up funding needs likely running into 2017. The table was slightly revised in September 2015 to better show budgetary categories.

Total unfunded expenses for 2015-2016 are estimated at \$194K, out of a total of \$438K for 2015-2017.

Via a grant from Oceans Five Foundation, TNC was able to leverage \$60K, leaving a shortfall of \$134K, which is what is being requested from GEF.

More specifically, the following is proposed with respect to the use of GEF funds:

HR input and specialized consultancies	55%
Support to the SCATT Board, meetings and training	14%
Operational costs	14%
Essential start up equipment	10%
Travel	7%
Total - \$134K requested from GEF	100%

Refer to [Annex 8](#) for more details on the TNC proposal, titled “*Operationalizing the Seychelles Conservation and Climate Adaptation Trust (SeyCCAT)*”.

Activity 2.3.1)
The SCATT operationalization is supported.

This activity will enable to prepare the needs for the operational phase of the SCATT, such as the recruitment of national experts and managers for the SCATT, initial office operations, governance aspects

(e.g. the establishment and training of the Board of Directors and Executive Director), etc. This is co-financed by TNC.

Activity 2.3.2)

The funding needs of PAS are duly articulated in the creation and management of environmental finance mechanisms in Seychelles, including the SCCAT and they become mainstreamed.

Without a unified and dedicated conservation trust fund for the country, the advocacy work for raising PA finance has remained fragmented. At the same time, climate finance becomes more widely available and Seychelles will likely be successful in tapping into these opportunities. The establishment of the SCCAT and its focus on climate change adaptation is an example it is. With these trends, it is possible that the sustainable funding needs of the PAS become secondary to other funding priorities of the environment sector.

Through this activity, the project will support advocacy work that will influence key processes and stakeholder relating to funds mobilization and management. The aim is to see that the interests and needs of the PAS are duly taken into consideration in the process. This also applies to the creation and management of the SCCAT, which is expected to co-finance the protection up to 400,000 km2 of its EEZ and generate an indefinite income stream from its capitalization. The project will make sure part of this stream can eventually be challenged and generate biodiversity benefits, without prejudice to the fund’s main goal.

2.3 Project benefits, risks and linkages

2.3.1 Global Environmental Benefits

The project will put in place a 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.

This will be achieved by:

- i) leveraging conservation finance through financial planning;
- ii) the introduction of cost-effective management measures and a legal and management framework to secure new financing instruments,
- iii) supporting PAs to expand revenue collection schemes and re-invest their own revenues, testing of new resource generation mechanisms, including by supporting conservation in the establishment and management trust funds, such as the SCCAT and others yet to be created.

A more thorough Incremental Cost Analysis and description of global benefits can be found in [Annex 4](#).

The links to the expected GEF outcomes and focal area outputs are shown below.

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	GEF Grant Amount (\$)	Co-financing to the GEF grant
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				(\$)
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)	2,776,900	15,099,654

2.3.2 Country ownership and the project's policy fit

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)⁴⁸ 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;
- 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 a matrix further down.

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

⁴⁸ <https://www.cbd.int/doc/world/sc/sc-nr-05-en.pdf>

services; and 6) minimise and mitigate the impacts of climate change by maintaining the integrity and functions of ecosystems.

The project will directly contribute 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.

Table 13. Project Fit with the Aichi Biodiversity Targets

Aichi Targets	How the project contributes to achieving them
<p>Target 20: By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization, should increase substantially from the current levels.</p>	<p>The project's objective and central theme is PA finance. It seeks to bring sustainability to the financial flows that support the country's PAS by diversifying and expanding the sources of funds to PAS. PAs and the sustainability of the PAS are a central pillar of Seychelles' NBSAP-2, which is the main policy instrument for implementing the CBD's Strategic Plan in country. Therefore, the project directly contributes to the achievement of Target 20.</p>
<p>Target 11: By 2020, at least 17 per cent of terrestrial and inland water areas, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes.</p>	<p>By working directly on the issue of finance that provides the foundation for the PAS to thrive, the project will not just support the existing PAS but also the expanding one. Seychelles has already designated approx. 50% of its terrestrial landscape as official protected areas, but the country is facing challenges to operationalize the expanded PAS and to leverage the necessary finance. The project will address this issues. In addition, the Government of Seychelles is currently in the process of structuring a Debt for Climate Change Adaptation Swap that will designate 30% of the country's EEZ as a marine protected area. The project will equally support this project.</p>
<p>Target 3: By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions.</p>	<p>The project works specifically on the issue of incentives and disincentives that have a bearing on PAS finance. E.g. it will work consistently to remove a barrier that impedes the PAS to retain the revenues it self-generates, which currently creates a series of disincentives for the conservation and sustainable use of biodiversity. It will also create better conditions for both existing and new PA finance mechanisms to successfully leverage finance, creating thereby positive incentives for it.</p>

Aichi Targets	How the project contributes to achieving them
Target 4: By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.	The project will work towards developing the legal and regulatory framework for PES and for impact mitigation / biodiversity offsetting in the context of Seychelles, as a means of leveraging PA finance mechanisms, in particular through the revision of Seychelles' EPA and PA Act.
Target 2: By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.	The project has a strong fit with highly relevant national policy frameworks: the SSDS, the NBSAP-2, the PA Policy, the Blue Economy and the Public Finance Management Act, to name a few. Project results will serve as essential instruments for implementing the mentioned frameworks in many different ways, as discussed in this section of the PRODOC.
Target 1: By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.	The project is expected to raise awareness on biodiversity and the importance of its values through the means of discussions on PA finance and public consultations.
<p>Other Targets: Indirectly, the project is also contributing the achievement of other Aichi Targets, specifically through the role that PAs play in averting threats to biodiversity and improve its status by safeguarding ecosystems, species and genetic diversity. We mention the following other Targets:</p> <ul style="list-style-type: none"> • Target 5 (Halve habitat loss), Target 12 (Species conservation improved) and Target 15 (Enhance resilience and carbon stocks' maintenance), by better funding PAs and thereby securing key ecological functions in them. • Target 6 (Sustainable fisheries) and Target 10 (Reduce pressures on reefs and vulnerable marine ecosystems), by e.g. supporting the SCCAT and the consolidation of the Blue Economy. • Target 9 (Reduce invasive spp.), Target 14 (Restore ecosystems) and Target 7 (Sustainable agriculture & forestry), by leveraging funds for IAS removal and SFM in forest PAs and for restoration of essential ecosystems. 	

2.3.3 Innovativeness, development benefits, sustainability and replicability

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 standardised 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; centralising 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 optimise 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.

Replicability: The Protected Area sites selected for this project are considered by the government and the key PA managing stakeholders (e.g. SNPA, DoE, SIF, GIF, MCSS and Nature Seychelles) as demonstration sites that will allow national stakeholders to test different PA management and finance strategies with varying levels of resource use and development. By selecting sites with varied conditions and potential uses, the project will develop PA management models that can be replicated across the entire system.

At the regional level, the project is highly replicable. Other, biodiversity-rich countries in the Indian Ocean are facing debt (Mauritius), while yet other will face major transformations in their economy fuelled by extractive industries boom (Tanzania, Mozambique). Seychelles will be able to offer useful lessons on how to reconcile these elements with the needs for conserving a country's biodiversity endowment.

More generally, each project output will include the documentation of lessons learnt from implementation of activities and the production of results, tools and guidance materials to be developed during implementation. This will be consolidated by the Project Manager and the Programme Coordination Unit (PCU), ensuring that this information will then be made accessible to different stakeholder groups, including through the use of social media and other current outreach methods.

Other expected national and local benefits

The generation of development benefits at the national and local levels is 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.

2.3.4 Gender mainstreaming considerations

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.
- optimising 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 rationalising 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).

2.3.5 Cost-effectiveness

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.

2.3.6 Risk Analysis

Table 14. Risks matrix

Identified Risks and Category	Impact	Likelihood	Risk Assessment	Mitigation Measures
<p><u>ECONOMIC</u></p> <p>Although the negotiations for the debt nature swap are successful, the Seychelles Climate Change Adaptation Trust Fund is not established.</p>	High	Unlikely	Low	<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>

Identified Risks and Category	Impact	Likelihood	Risk Assessment	Mitigation Measures
<p>STRATEGIC</p> <p>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>	Critical	Likely	High	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>STRATEGIC</p> <p>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>	Medium	Likely	Medium	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 management and conservation effectiveness of the SNPA
<p>FINANCIAL</p> <p>Downturn in tourist numbers.</p>	Low	Moderately likely	Low	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.
<p>ENVIRONMENTAL</p> <p>Climate impacts may negatively affect the long-term sustainability PAs*</p>	Negligible	Very likely	Low	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, its impact for the duration of the project is considered low. However, the investments to be made and levered by the project are expected have a longer reach into the future, so these risks should be considered, including as part of the next risk on infrastructural developments in PAs.

Identified Risks and Category	Impact	Likelihood	Risk Assessment	Mitigation Measures
ENVIRONMENTAL Potential negative environmental impacts from infrastructural development impacts and increased boat traffic as a direct result of project activities in ecologically sensitive areas*	High	Unlikely	Low	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.

* These two last risks were also noted in the SESP in [Annex 7](#).

Table 15. Risk Assessment Guiding Matrix

	Impact					
	CRITICAL	HIGH	MEDIUM	LOW	NEGLEGIBLE	
CERTAIN / IMMINENT	Critical	Critical	High	Medium	Low	Low
VERY LIKELY	Critical	High	High	Medium	Low	Low
LIKELY	High	High	Medium	Low	Low	Negligible
MODERATELY LIKELY	Medium	Medium	Low	Low	Low	Negligible
UNLIKELY	Low	Low	Negligible	Negligible	Negligible	Considered to pose no determinable risk

2.3.7 Synergies

This project is 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.

The work under BIOFIN is still on-going and includes the following step-wise components:

- 1) *Reviewing biodiversity policies, institutions and expenditures*, which implies an assessment of major sectors and how they impact biodiversity, as well as the role of policies and institutions, and how much the public and private sector are spending on biodiversity;
- 2) *Defining the costs of implementing the NBSAP*;
- 3) *Mobilizing resources*, where BIOFIN will develop a strategy to mobilize potential finance actors and finance mechanisms to reach national biodiversity targets; and the final step and component implies
- 4) *Initiating the implementation of the Resource Mobilization Strategy*.

This project is covering several of the steps of the above, but specifically for PAs. The NBSAP is broader and covers a number of other aspects of biodiversity management, including mainstreaming, resilience and ABS, which are not covered under this project. Yet, PAs are a very important strategy embedded in the NBSAP. Much of the policy review, assessment work and costing with respect to PAs has already been carried out during the PPG. The project itself will be developing a PA System (PAS) Financing & Investment Plan for Seychelles, which aligns with BIOFIN Components 3 and 4.

BIOFIN is currently concluding Component 1 and moving on to Component 2. The synergies are obvious and will allow BIOFIN not only to adopt the thorough assessments on expenditure and costing with respect to PAs, but also to concentrate efforts on other aspects of biodiversity management that distinct from PAs. Refer to BIOFIN's website for more information ([Link](#)).

In addition to BIOFIN, there are a number of completed, ongoing or planned projects related to PA, and it is important to privilege synergies whenever possible. Hence, the list below presents other PA related projects to consider at implementation.

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	To strengthen capacity to implement Rio Conventions.	UNDP/GEF

Project/Programme	Description	Main Financing Partner
Environmental Capacity Project (CB2)	Running until 2013, with an external budget of 0.4 million USD.	
Strengthening Seychelles protected areas system through NGO management modalities	Facilitate working partnerships between government and NGOs in the planning and management of the protected area system. Budget 2.1 million USD	UNDP/GEF
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	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

Project/Programme	Description	Main Financing Partner
Example 2 Research on Demersal fish species		
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

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 ⁴⁹	2011-2013	IOC Countries, Eastern and Southern African Countries	IOC/EU	21
Regional fisheries monitoring	2007-2014	IOC countries Mozambique	IOC/EU	12
ISLANDS ⁵⁰	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

⁴⁹The 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

⁵⁰ 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.

Project title	Period	Area	Implementing Agency/Financing partner	Budget million Euros
EAF-Nansen Project ⁵¹	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

⁵¹ The objective of the project is strengthening the Knowledge Base for and Implementing an Ecosystem Approach to Marine Fisheries in Developing Countries

3 Management Arrangements, Monitoring and Evaluation

3.1 Project implementation arrangement

The project will be implemented over a period of 5 years. The project will be implemented through UNDP National Implementation Modality (NIM) and Harmonized Approach to Cash Transfer (HACT) procedures. The project will be implemented by the MEECC, in line with the Standard Basic Assistance Agreement (SBAA) between the UNDP and the Government of Seychelles (GoS).

The UNDP Country Office will monitor the implementation of the project, review progress in the realization of the project outputs, and ensure the proper use of UNDP/GEF funds. Working in close cooperation with MEECC and SNPA, the UNDP Country Office (CO) will provide support services to the project - including procurement, contracting of service providers, human resources management and financial services - in accordance with the relevant UNDP Rules and Procedures and Results-Based Management (RBM) guidelines. Specifically, the UNDP CO will be responsible for: (i) providing financial and audit services to the project; (ii) recruitment and contracting of project staff; (iii) overseeing financial expenditures against project budgets; (iv) appointment of independent financial auditors and evaluators; and (v) ensuring that all activities, including procurement and financial services, are carried out in strict compliance with UNDP and GEF procedures. Strategic oversight by the UNDP-GEF Regional Technical Advisor (RTA) responsible for the project.

The MEECC will implement the project, in line with the Standard Basic Assistance Agreement (SBAA) between the UNDP and the GoS. Execution includes coordinating action on the ground and in the capital, engaging partners and service provider, including those that will be directly tasked with implementation, while also closely monitoring the project and reporting according to procedures. The MEECC will have the overall responsibility for achieving the project goal and objectives. It will be directly responsible for creating the enabling conditions for implementation of all project activities. It will designate a senior official to act as the National Project Director who will provide the strategic oversight and guidance to project implementation. Project implementation will be overseen by a Project Steering Committee (PSC) described below.

A centralized Programme Coordination Unit (PCU) has been established by UNDP and MEECC oversee, support, administer and coordinate the implementation of all GOS-UNDP-GEF environment and energy projects in Seychelles. The PCU currently comprises an international Programme Coordinator / Chief Technical Advisor (PC-CTA), Project Managers for the GOS-UNDP-GEF projects under implementation and financial and administrative support staff.

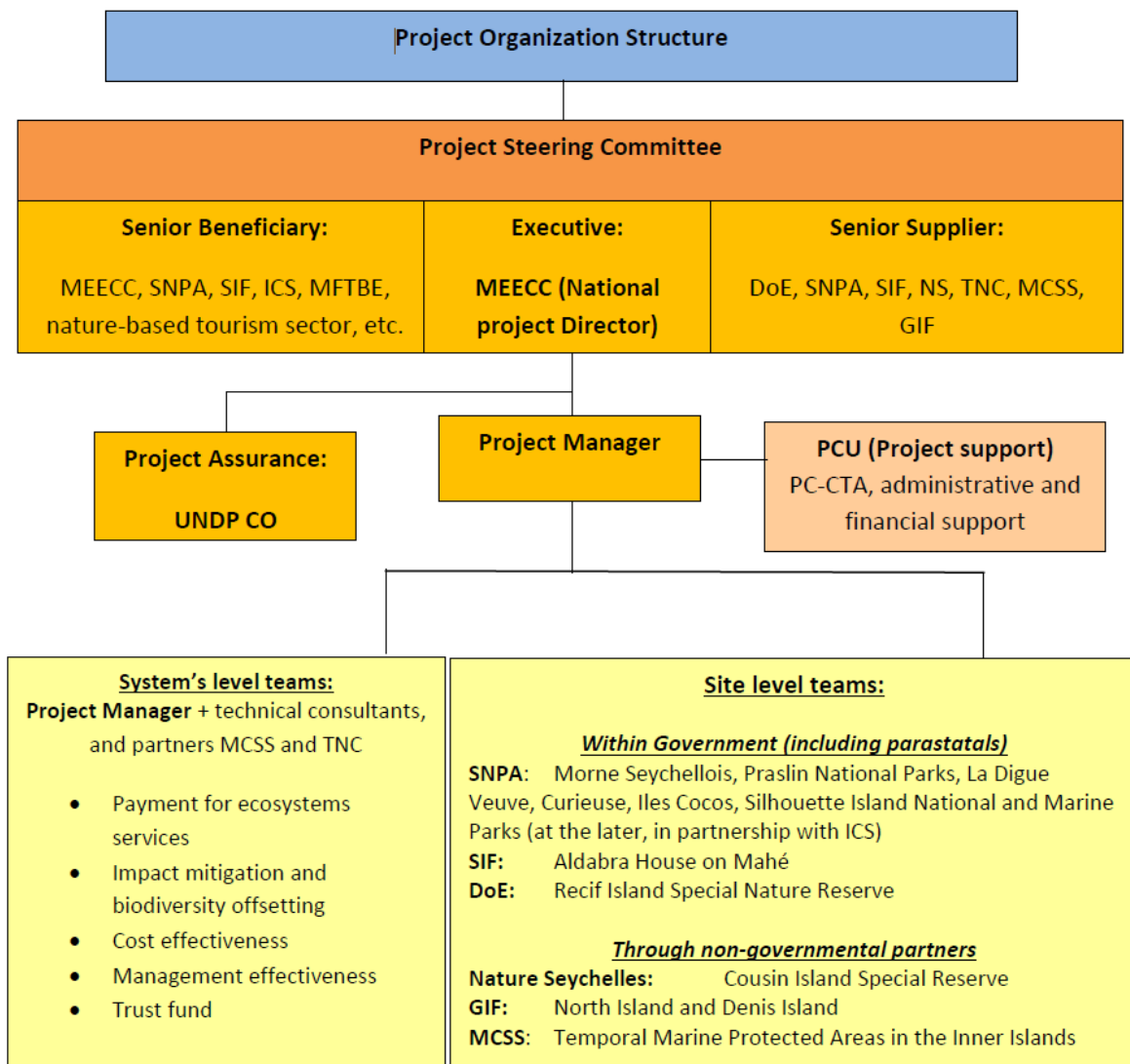
The day-to-day administration of the project will be carried out by a National Project Manager (NPM). The NPM will be recruited using standard UNDP recruitment procedures. The PM has the authority to administer the project on a day-to-day basis on behalf of MEECC, within the constraints laid down by the PSC. The NPM's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The NPM will prepare Annual Work Plans (AWP) in advance of each successive year and submit them to the PSC for approval. The NPM will liaise and work closely with all partner institutions to link the project with

complementary national programs and initiatives. The NPM will report in the first instance to the PC-CTA at the PCU, and is accountable to the Project Director for the quality, timeliness and effectiveness of the activities carried out, as well as for the use of funds.

The NPM will be technically supported by contracted national and international service providers and/or consultants. They will also work in close collaboration with counterpart conservation agencies and institutions. Recruitment of specialist support services and procurement of any equipment and materials for the project will be done by the PCU in liaison with the NPM and PSC, and in accordance with relevant recruitment and procurement rules and procedures.

An overview of the project organizational structure is given in below.

Figure 7. Project Structure



The Project Steering Committee (PSC) is responsible for making management decisions for a project in particular when guidance is required by the NPM. It plays a critical role in project monitoring and evaluations by quality assuring these processes and products, and using evaluations for performance improvement, accountability and learning. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems with external bodies. In addition, it approves the appointment and responsibilities of the NPM and any delegation of its Project Assurance responsibilities. The PSC will consider and approve the annual work plans, any essential deviations from the original plans, and individual contracts and consultancies awarded by the project.

The PSC's decisions will be made in accordance to standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case consensus cannot be reached within the Board, the final decision shall rest with the UNDP CO in order to ensure UNDP's ultimate accountability for the project results.

Responsible parties

Several government and non-governmental partners have advanced proposals for the implementation of specific PA finance and management activities under the project. These are described in [Annex 8](#) and can be said to take place either at the PA system's level or at site level. For the sake of accountability, these PA managing entities can be engaged as responsible parties by the implementing partner under applicable arrangements. Pre-approval of responsible parties applies in particular to governmental partners (in this case, SNPA and SIF⁵²), but it will not apply to DOE, as it is a department (or sub-division) under the implementing partner MEECC. Hence, no specific agreement is needed for DoE.⁵³ As for non-governmental partners, these are for now considered 'candidate responsible parties', as due process for selection, in line with applicable rules and procedures, has started but it is not yet fully completed. Between GEF CEO Endorsement and PRODOC signature, UNDP and the PCU will complete the necessary assessments. It will also set up a committedd for formally assessing proposals received and approving them. For now, all proposals are contained in [Annex 8](#) and a budget reserve has been allocated, pending confirmation.

Potential members of the PSC are reviewed and recommended for approval during the PAC meeting. Representatives of other stakeholders can be included in the Board as appropriate. The PSC contains distinct roles, including a Chair-person, which is the individual representing the project ownership to chair the group, which will be the MEECC. The other PSC Members are equally split into i) individuals or groups representing the interests of the parties concerned which provide funding for specific cost sharing projects and/or technical expertise to the project, and ii) individuals or groups representing the interests of those who will ultimately benefit from the project representing the interests of those who will ultimately benefit from the project. UNPD's primary function within the PSC is to provide guidance regarding the technical feasibility of the project. Indicatively, it is proposed that the PSC is composed of XX representatives:

- MEEC: 2 members
- MFTBE: 1 member
- MLUH: 1 member
- SNPA: 1 member
- SFA: 1 member
- UNDP: 1 member
- Tourism sector: 1 member

⁵² SIF is a public trust established by government under the Seychelles Island Foundation Decree of 1979.

⁵³ DoE has advanced a proposal for managing Recif Island Special Nature Reserve. As the amount requested by DoE is relatively small, it will likely implement its activities on Recif Island using the PCU's administrative support.

- The representative of an NGO partner from each project area: 1 member

Under the supervision of the PSC, the NPM has the following main responsibilities:

- Coordination and management of the project and its two regional 'sub-projects';
- Developing work plans and consolidated annual budgets;
- Preparation of technical reports and periodic financial reports;
- Managing relationships with donors and project partners and monitoring the implementation of co-financing arrangements;
- Supporting the strategic partners of the PSC;
- Capacity building of stakeholders;
- Monitoring and evaluation of project activities;
- Policy analysis and development strategies in the light of the results of the project;
- The design and implementation of a communication strategy for the project; and
- Resource mobilization.

At the national level, the NPM interacts with the GoS, UN agencies and other international development agencies interested donors, competent national institutions in the areas covered by the project and field partners (local authorities, NGOs, private sector, etc.). It reports to the GoS, to UNDP, and other partners, using the governance channels established by the project.

3.2. Monitoring Framework and Evaluation

The project will be monitored through the following M&E activities. The M&E budget is provided in the table below.

The M&E framework set out in the Project Results Framework is aligned with the Focal Area Tracking Tool and UNDP's M&E frameworks.

An Inception Workshop will be held within the first 2 months of project implementation convening those with assigned roles in the project organization structure, UNDP, PCU and the PA stakeholders. The Inception Workshop is crucial to building ownership for the project and to approve the first year annual work plan. An Inception Workshop report will be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

Progress made shall be monitored quarterly in the UNDP Enhanced Results Based Management Platform. Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP/GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, etc. are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical).

Based on the information recorded in Atlas, a Project Progress Report (PPR) can be generated in the Executive Snapshot. Other ATLAS logs will be used to monitor issues, lessons learned. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

Annual Project Review/Project Implementation Reports (APR/PIRs) are prepared each year at the end of the annual reporting period (end of June). This key report is prepared to monitor progress made since project

start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements. The APR/PIR includes, but is not limited to, reporting on the following: i) Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative), ii) Project outputs delivered per project outcome (annual), iii) Lesson learned/good practice, iv) Risks and adaptive management.

Periodic Monitoring through site visits: UNDP CO and the UNDP-GEF region-based staff will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess at first-hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Board members.

Mid-term of project cycle

The project will undergo an independent Mid-Term Review at the mid-point of project implementation (expected to be in July 2017). The Mid-Term Review will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation, will highlight issues requiring decisions and actions, and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term review will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term review will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit (RCU) and UNDP-GEF.

End of Project

An independent Terminal Evaluation will take place three months prior to the final PB meeting and will be undertaken in accordance with UNDP-GEF guidance. The terminal evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term review, if any such correction took place). The terminal evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response, which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC).

Learning and knowledge sharing

Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. There will be a two-way flow of information between this project and other projects of a similar focus.

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)	

4 Legal Requirements

4.1 Legal Context

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

4.2 Audit Clause

Audit will be conducted according to UNDP Financial Regulations and Rules and applicable Audit policies.

4.3 Communications and visibility requirements

Full compliance is required with UNDP's Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects need to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at:

http://www.thegef.org/gef/GEF_logo. The UNDP logo can be accessed at:
<http://intra.undp.org/coa/branding.shtml>.

Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at:

http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf.

Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

5 Strategic Results Framework

5.1 Programmatic Links

<p>This project will contribute to achieving the following Country Program Outcome: Outcome #2: By 2016, the governance systems, use of technologies and practices and financing mechanisms that promote environmental, energy and climate-change adaptation have been mainstreamed into national development plans. Relevant indicator: Area of terrestrial and marine ecosystems under improved management or heightened conservation status increased by 50 per cent by end of 2016. [Link]</p>
<p>Country Program Outcome Indicators: Area of terrestrial and marine ecosystems under improved management or heightened conservation status.</p>
<p>UNDP Strategic Plan (2014-2017) [Link] Primary Output: (2.5) Legal and regulatory frameworks, policies and institutions enabled to ensure the conservation, sustainable use, and access and benefit sharing of natural resources, biodiversity and ecosystems, in line with international conventions and national legislation. Other relevant programmatic links at the corporate level: [From <i>UNDP's Biodiversity and Ecosystems Global Framework 2012-2020</i>:] Signature Programme #2: Unlocking the potential of protected areas (PAs), including indigenous and community conserved areas, to conserve biodiversity while contributing to sustainable development. [Link]</p>
<p>Applicable GEF Strategic Objective and Program: BD 1: Improve Sustainability of Protected Area Systems</p>
<p>Applicable GEF Expected Outcomes: Outcome 1.2: Increased revenue for protected area systems to meet total expenditures required for management.</p>
<p>Relevant GEF Outputs: Output 3. Sustainable financing plans (where the project will contribute with 5 plans, from a baseline of 1, as per Logframe indicator #5)</p>
<p>Applicable GEF Outcome Indicators: Indicator 1.2: Funding gap for management of protected area systems as recorded by protected area financing scorecards (as per Logframe indicator #2)</p>
<p>Gender Marking: Data to be recorded in UNDP's Atlas system by the project's year 2 and by its end:</p> <ul style="list-style-type: none">- Total number of full-time project staff that are women- Total number of full-time project staff that are men- Total number of Project Board members that are women- Total number of project Board members that are men- The number jobs created by the project that are held by women- The number jobs created by the project that are held by men

5.2 Logframe

#	Indicator*	Baseline	Targets by End of Project	Source of verification	Risks and Assumptions
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.					
1	Evolution in key scores from the Financial sustainability scorecard for national system of protected areas: <i>[broken down as below]</i>	Total points, total possible points and % achieved, based on the application of the scorecard in 2015: <i>[broken down as below]</i>	Percentage scores across the board see an increase of at least 40% and 80% from the baseline, by mid-term and EOP respectively. Increases show a balanced and steady progress verified across the components and PA sub-systems: <i>[broken down as below]</i>	Periodic and participative application of the Financial Sustainability Scorecard for Seychelles' PAS covering, the same sub-subsystems as at the baseline PRODOC Annex 3 (Links to Tracking Tools), in particular Objective 1, SECTION III: Financial Sustainability Scorecard	<u>Assumptions:</u> Financial Scorecard and METT methodologies are adopted as key metrics for the PA system
1a	Scores for the entire PA System and for the three components of the scorecard: Total: for all three components) Component 1) Legal, regulatory and institutional frameworks Component 2) Business planning and tools for cost-effective management Component 3) Tools for revenue generation by PAs	Absolute and percentage scores from 2015: Total: 37 (out of 225) = 17% Component 1) 16 (out of 95) = 17% Component 2) 11 (out of 59) = 19% Component 3) 10 (out of 71) = 14%	Percentage scores reach at least the following by mid-term and EOP respectively: Total: Reaching at least 22% and 28% Component 1) Reaching at least 22% and 28% Component 2) Reaching at least 26% and 34% Component 3) Reaching at least 17% and 22%	Validation of scorecard data and analysis by the MTR and TE. The financial analysis of main sub-systems of PAs at the baseline includes the sites and financial flows managed by SNPA, DOE, SIF, ICS, NS and GIF. They cover 88% of the PA estate and likely 80-90% of all PA finance flows. The six main sub-systems function therefore as a proxy for the overall PAS. Project reports and studies on PA finance.	<u>Risk:</u> Adverse policy and regulatory environment prevails (e.g. 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) Downturn in tourist numbers.
1b	Overall scores for each of the six main sub-subsystems, as assessed separately be PA managing entities: SNPA DoE SIF ICS NS GIF	Absolute and percentage scores from 2015: 21 (9%) 16 (7%) 41 (18%) 62 (28%) 50 (22%) 16 (7%)	Percentage scores reach at least the following by mid-term and EOP respectively: 13% and 18% 10% and 13% 26% and 33% 39% and 50% 31% and 40% 10% and 13%		

#	Indicator*	Baseline	Targets by End of Project	Source of verification	Risks and Assumptions
2	<p>Absolute and relative annual financing gap for the entire PAS (using the six main PA sub-systems as a proxy):</p> <p>(a) under a basic PA management scenario</p> <p>(b) under an optimal PA management scenario</p> <p>(c) projected over 5 years under a basic PA management scenario</p>	<p>Annual financing gap as calculated in 2015 and referring to Baseline Year 2013:</p> <p>(a) \$2.7 million, or 51% of total finances available to the PAS</p> <p>(b) \$6.7 million, or 124% of total finances available to the PAS</p> <p>(c) \$13.6 million</p>	<p>Annual financing gap decreases to the following by EOP (regardless of the absolute amount):</p> <p>(a) less than 30% of total finances available to the PAS</p> <p>(b) less than 50% of total finances available to the PAS</p> <p>(c) less than \$8 million</p>	<p>Periodic and participative application of the Financial Sustainability Scorecard for Seychelles' PAS covering, the same sub-subsystems as at the baseline</p> <p>The MTR and TE provide an independent validation of scorecards</p>	
3	<p>Evolution in METT Scores for indicator sites (listed here) reflect improvements in conservation security in terrestrial and marine ecosystems:</p> <p>SIF, Vallée de Mai</p> <p>NS, Cousin Island Special Reserve</p> <p>GIF, Denis Island</p> <p>GIF, North Island</p> <p>ICS, Silhouette Is. Nat/Marine Park</p> <p>DOE, Recif Island Spec Res</p> <p>SNPA, Curieuse National/Marine Park</p> <p>SNPA, La Digue Veuve Spec Res</p> <p>SNPA, Morne Seychellois Nat. Park</p>	<p>Absolute and percentage METT scores in 2015 (out of 102 points):</p> <p>81 (79%)</p> <p>76 (75%)</p> <p>65 (64%)</p> <p>71 (70%)</p> <p>59 (58%)</p> <p>57 (56%)</p> <p>74 (73%)</p> <p>49 (48%)</p> <p>47 (46%)</p>	<p>METT scores expressed in percentages by EOP:</p> <p>- All scores below 50% at the baseline, increase to at least 60%;</p> <p>- All scores between 50% and 60% at the baseline, increase to at least 65%; and</p> <p>- All scores above 60% at the baseline, increase with at least 5 additional percent points</p>	<p>Periodic application of METT methodology to indicator sites.</p> <p>The MTR and TE provide an independent validation of METT scoring</p>	

Outcome 1: 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.

- Outputs:**
- 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
 - 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

#	Indicator*	Baseline	Targets by End of Project	Source of verification	Risks and Assumptions
4	Total finances available to the PA system from various sources (based on financial analysis of the six main sub-systems, covering 88% of the PA estate, and functioning as a proxy for the overall PAS)	\$5.4 million p.a., as measured in 2015 and referring to Baseline Year 2013	Increases by at least 50% by EOP and meets the financing needs for a basic management scenario (i.e. \$8 million p.a. or more)	Periodic and participative application of the Financial Sustainability Scorecard for Seychelles' PAS covering, the same sub-subsystems as at the baseline The MTR and TE provide an independent validation of scorecards	<u>Assumptions:</u> Project interventions focusing on capacity building can effectively contribute to institutional development Cooperative governance arrangements for the Protected Areas System is possible The 2014 PA Policy remains relevant for guiding PAS development
5	On the adoption of financial planning as a key tool for improving PAS financial sustainability <i>[broken down as below]</i>	<i>[broken down as below]</i>	<i>[broken down as below]</i>	Results from the PIR outlining progress Other project reports and studies on PA finance	<u>Risk:</u> Conflicts and misunderstandings between PA managing entities undermine efforts
5a	Existence and effective application of a PA System (PAS) Financing & Investment Plan for Seychelles	Only 1 PA financing plan (though not an investment plan) is being implemented in Seychelles, namely for the SIF PA sub-system; it was prepared in 2013 on the basis of a study carried out under another GEF project and it is probably outdated now	The PAS Financing & Investment Plan for Seychelles has been completed, approved by government and it is under implementation – as independently assessed by the TE by EOP	The MTR and TE provide an independent validation of studies, scorecards, reports and PIR results	
5b	Number of subsidiary investment or financing plans at the site or at the sub-system's level	There are no financing or investment plan at the PAS level	At least 4 PA investment plans are actively implemented in Seychelles and they may either focus on the site level or at the system / sub-system level		
6	Independent application of the Capacity Development Scorecard for PA system management with analytical notes shows steady improvements in capacity levels	Overall score was 60% in 2013 ⁵⁴	70% by EOP and with capacity areas for PAS management that are important for Seychelles duly identified	Periodic application of the Capacity Development Scorecard for PA system using a similar methodology as the one applied in 2013 The MTR and TE provide an independent validation of studies, scorecards, reports and PIR results	

⁵⁴ Refer to Capacity Development Scorecard results in 2013 [\[Link\]](#). Break-down: *individual* 48%; *institutional* 67%; *systemic* 60%.

#	Indicator*	Baseline	Targets by End of Project	Source of verification	Risks and Assumptions												
<p>Outcome 2: 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</p>																	
<p>Outputs:</p> <p>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</p> <p>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>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</p>																	
7	<p>Percentage of PA generated revenues retained in the PA system for re-investment across the main sub-systems and for each individual sub-systems:</p> <p>Across the 6 main PA sub-systems*</p> <table border="1"> <tr> <td>SNPA sub-system</td> <td>67%</td> </tr> <tr> <td>DoE sub-system</td> <td>0%</td> </tr> <tr> <td>SIF sub-system</td> <td>100%</td> </tr> <tr> <td>ICS sub-system</td> <td>100%</td> </tr> <tr> <td>NS sub-system</td> <td>100%</td> </tr> <tr> <td>GIF sub-system</td> <td>100%</td> </tr> </table> <p>* which covers 88% of the PA estate and likely 80-90% of all PA finance flows.</p>	SNPA sub-system	67%	DoE sub-system	0%	SIF sub-system	100%	ICS sub-system	100%	NS sub-system	100%	GIF sub-system	100%	<p>As assessed in 2015 through the application of the Financial Sustainability Scorecard for Seychelles' PAS and referring to Baseline Year 2013:</p>	<p>Reaches 100% across all sub-systems by EOP</p>	<p>Periodic and participative application of the Financial Sustainability Scorecard for Seychelles' PAS covering, the same sub-subsystems as at the baseline</p> <p>The MTR and TE provide an independent validation of scorecards</p>	<p><u>Assumptions:</u></p> <p>Institutional and policy barriers for an effective site-level revenue generation, collection and retention into the PA system can be lifted</p>
SNPA sub-system	67%																
DoE sub-system	0%																
SIF sub-system	100%																
ICS sub-system	100%																
NS sub-system	100%																
GIF sub-system	100%																
8	<p>SNPA's ability to retain its site-level revenues</p> <p><u>Note:</u> SNPA's financial autonomy is dictated by the category of parastatal that it falls under, which in turn defines whether it is a budget dependent institution or not</p>	<p>(a) Since 2008, SNPA has been downgraded to being a budget-dependent institution;</p> <p>(b) 100% of SNPA's site-generated revenues are reversed to Treasury and not retained by the entity</p>	<p>(a) SNPA status is upgraded and it reaches more financial autonomy;</p> <p>(b) at least 50% of SNPA' site-generated revenue can be retained by the institution</p>	<p>Relevant regulatory texts on SNPA status and the fate of its site-based revenue</p>	<p><u>Assumptions (continued):</u></p> <p>The needed regulatory framework for successfully exploiting old and new PA finance mechanisms will be put in place according to the needs of the PAS.</p>												
9	<p>Number of revenue sources for the PA system in the form of PES and their full exploitation in Seychelles</p> <p><i>[broken down as below]</i></p>	<p><i>[broken down as below]</i></p>	<p><i>[broken down as below]</i></p>	<p>Main reference is to PRODOC Table 19, which was in turn derived from PPG study # 2 </p>	<p>mechanisms will be put in place according to the needs of the PAS.</p>												

#	Indicator*	Baseline	Targets by End of Project	Source of verification	Risks and Assumptions
9a	<p>Current domestic revenue sources:</p> <ol style="list-style-type: none"> 1. Existing (environment and conservation) sector budgets 2. Existing government levies destined wholly or partly for PA funding 3. Park entry fees 4. Public-private finance initiatives 5. Forms of cross-subsidization initiatives based on public-public or public-private ownership structures. 	<p>All 5 mechanisms are currently in use in Seychelles, but for all of them the full potential for revenue generation is only partially exploited, as follows:</p> <ol style="list-style-type: none"> 1. The budget is insufficient to minimally cover the gap 2. Government levies do not benefit the PAS 3. A significant portion of park entry fees are not retained by the system 4. The legal environment does not encourage PPP initiatives 5. PA finance cross-subsidization initiatives remain few and <i>ad hoc</i> 	<p>All 5 mechanisms are maintained and at least 2 of them are fully exploited by EOP, as follows:</p> <ol style="list-style-type: none"> 1. The conservation sector budget is enough to cover the gap for the state-run sub-system. 3. Park entry fees generated at SNPA sites will be full retained by the entity 	<p>Other PAS analysis and studies</p> <p>Results from the PIR outlining progress</p> <p>The MTR and TE provide an independent validation of studies, scorecards, reports and PIR results</p> <p>Periodic and participative application of the Financial Sustainability Scorecard for Seychelles' PAS assessing the contribution of different PES revenue sources</p>	<p><u>Risk:</u></p> <p>SNPA reform is slow and the parastatal does not can meet the requirements for ceasing to be a budget-dependency institution</p> <p>Climate finance remains restrictive in its applications for PAS finance</p>
9b	<p>International revenue sources:</p> <ol style="list-style-type: none"> 1. More general arrival charge to cover all entries or a modest "PA access passport" of around 5-10 USD per passenger. 2. Debt for Nature/Adaptation Swap 3. Other donor sources including linking PA to climate funding 	<p>There are 3 discernable mechanisms and they are not being exploited for PA finance, of these:</p> <ol style="list-style-type: none"> 1. No "PA access passport" has been conceived. 2. The Debt for Nature/Adaptation Swap is still in its infancy. 3. It is not obvious that climate finance can effectively benefit the PAS. 	<p>At least 1 mechanism is operational by EOP, as follows:</p> <ol style="list-style-type: none"> 2. The SCATT is fully operational and disbursing 		

#	Indicator*	Baseline	Targets by End of Project	Source of verification	Risks and Assumptions
9c	<p>Novel/innovative sources incl. PES:</p> <ol style="list-style-type: none"> 1. Payments for water services related to PAs (e.g. direct water abstractions by water bottling plants, and agricultural producers) 2. Payments for flood and sedimentation control (this option might legitimately be linked to Debt for adaptation swap). In this case revenues used to support this form of "ecosystem-based adaptation" as provisioned by PAs 3. Carbon sequestration credits 4. Biodiversity offsets (separate project input) 5. Hydropower potential related to PAs 	None of the 5 potential mechanisms have been trialed in Seychelles	<p>At least 1 mechanism have been trialed by EOP, most likely the following:</p> <ol style="list-style-type: none"> 4. Biodiversity offset or compensation for damage shows promise after a pilot implementation supported by the project 	<p>PAS analysis and studies</p> <p>Results from the PIR outlining progress and results from the MTR and TE validating them</p>	

6 Budget and Workplan

6.1 Total Budget & Workplan (TBW)

Outcome / Component	Impl. Agent	Resp. Party	Fund ID	Donor Name	Atlas code	Atlas Description	Amount Year 1 (\$)	Amount Year 2 (\$)	Amount Year 3 (\$)	Amount Year 4 (\$)	Amount Year 5 (\$)	TOTAL (\$)	Notes
1) Enabling Framework for PA Finance	MEECC		62000	GEF	71200	International Consultants		7,500	7,500			15,000	1
	MEECC		62000	GEF	71200	International Consultants	20,000	20,000				40,000	2
	MEECC		62000	GEF	71200	International Consultants			30,000			30,000	3
	MEECC		62000	GEF	71300	Local Consultants	10,000	20,000	15,000			45,000	4
	MEECC		62000	GEF	71300	Local Consultants	13,000	13,000				26,000	5
	MEECC		62000	GEF	71400	Contractual Services - Individ	10,000	10,000	10,000	10,000	10,000	50,000	6
	MEECC		62000	GEF	71400	Contractual Services - Individ	2,500	3,250	2,825	3,734	9,730	22,039	7
	MEECC		62000	GEF	71400	Contractual Services - Individ	50,000	90,000	40,000			180,000	8
	MEECC		62000	GEF	71600	Travel	1,000	1,000	1,000	1,000	1,000	5,000	9
	MEECC		62000	GEF	72100	Contractual Services-Companies	10,000	10,000	10,000	10,000	5,000	45,000	10
	MEECC		62000	GEF	72100	Contractual Services-Companies	10,000	15,000				25,000	11
	MEECC	MCSS	62000	GEF	72600	Grants	19,929	20,925	21,971	23,069		85,894	12
	MEECC		62000	GEF	72800	Information Technology Equipment					3,000	3,000	13
	MEECC		62000	GEF	74100	Professional Services	2,000	10,000	6,000			18,000	14
	MEECC		62000	GEF	74200	Audio Visual & Print Production Costs	4,000	3,000	4,000	5,000		16,000	15
						TOTAL COMPONENT 1 GEF	152,429	223,675	148,296	52,803	28,730	605,933	
2) Increased Revenue for PA Mgt	MEECC		62000	GEF	71200	International Consultants		2,500	2,500			5,000	1
	MEECC		62000	GEF	71200	International Consultants	10,000	10,000				20,000	2
	MEECC		62000	GEF	71200	International Consultants					40,000	40,000	3
	MEECC		62000	GEF	71300	Local Consultants			5,000			5,000	4
	MEECC		62000	GEF	71300	Local Consultants	5,000	5,000				10,000	5
	MEECC		62000	GEF	71300	Local Consultants			10,000			10,000	3
	MEECC		62000	GEF	71400	Contractual Services - Individ	12,000	12,000	12,000	12,000	12,000	60,000	6
	MEECC		62000	GEF	71400	Contractual Services - Individ	7,500	9,750	8,475	11,196	29,190	66,111	7
	MEECC		62000	GEF	71400	Contractual Services - Individ		10,000	10,000			20,000	8
	MEECC		62000	GEF	71600	Travel	5,000	7,000	7,000	7,000	5,000	31,000	9
	MEECC		62000	GEF	72100	Contractual Services-Companies	18,000	35,000				53,000	11
	MEECC	SNPA	62000	GEF	72200	Equipment and Furniture	50,000	100,000	70,000			220,000	16
	MEECC	SNPA	62000	GEF	72100	Contractual Services-Companies	50,000	75,000	75,000	85,000	10,000	295,000	17
	MEECC		62000	GEF	72400	Communicat & Audio Visual Equipm	2,500	5,000	5,000	5,000	2,456	19,956	18
	MEECC	SNPA	62000	GEF	72600	Grants	30,000	50,000	50,000	50,000	20,000	200,000	19
	MEECC	SIF	62000	GEF	72600	Grants	70,000	70,000	70,000	70,000	70,000	350,000	20
	MEECC	NS	62000	GEF	72600	Grants	55,000	55,000	55,000	55,000	55,000	275,000	21
MEECC	GIF	62000	GEF	72600	Grants	15,000	15,000	15,000	15,000	15,000	75,000	22	
MEECC	DoE	62000	GEF	72600	Grants	4,000	4,000	4,000	4,000	4,000	20,000	23	

Outcome / Component	Impl. Agent	Resp. Party	Fund ID	Donor Name	Atlas code	Atlas Description	Amount Year 1 (\$)	Amount Year 2 (\$)	Amount Year 3 (\$)	Amount Year 4 (\$)	Amount Year 5 (\$)	TOTAL (\$)	Notes
	MEECC	TNC	62000	GEF	72600	Grants	40,000	50,000	44,000			134,000	24
	MEECC		62000	GEF	72800	Information Technology Equipment	15,000	9,000	6,000	3,000		33,000	13
	MEECC		62000	GEF	74100	Professional Services	7,000	15,000	12,000	3,000	1,000	38,000	25
	MEECC		62000	GEF	74200	Audio Visual & Print Production Costs	2,000	5,000	5,000	2,000	2,000	16,000	15
	MEECC		62000	GEF	75700	Training, workshops and conferences	16,000	8,000	8,000	6,000	5,000	43,000	10
						TOTAL COMPONENT 1 GEF	414,000	552,250	473,975	328,196	270,646	2,039,067	
3) Project Mgt	MEECC		62000	GEF	71400	Contractual Services - Individ	5,000	20,000	25,000	25,000	5,000	80,000	7
	MEECC		62000	GEF	71600	Travel	3,000	3,500	3,500	3,500	3,400	16,900	26
	MEECC		62000	GEF	72100	Contractual Services-Companies	5,000	5,000	5,000	5,000	5,000	25,000	27
	MEECC		62000	GEF	74100	Professional Services	1,000	1,000	1,000	1,000	1,000	5,000	28
	MEECC		62000	GEF	74500	Miscellaneous	1,000	1,000	1,000	1,000	1,000	5,000	29
						TOTAL PROJECT MGT GEF	15,000	30,500	35,500	35,500	15,400	131,900	
						TOTAL PROJECT	581,429	806,425	657,771	416,499	314,776	2,776,900	

Budget Notes

#	Budget notes
1	Int. Consult. Legal, Policy & Institutional Development Specialist (short-term TA). Senior, with strong profile in Legal Framework and Public Policies for Environment & PA management, Institutional Development, Capacity Development & Training. Assignment of approx. duration is 2 months, spread over years 1 and 2 of the project. Key contributions will be to Outputs 1.1 (PAS Finance & Investment Plan), 1.2 (PA costs, management and conservation effectiveness), 1.3 (Funding Mechanisms), 1.4 (Capacity Building of PA entities), 2.1 (Institutional Review and Reform of SNPA) and support to various activities by SNPA and partners under Output 2.2 (PA mgt and revenue generation effectiveness on the ground).
2	Int. Consult. Communications & Outreach (medium-term TA). Specialised with strong profile in Public Outreach, Communications, Stakeholder Relations, and Marketing. Assignment of approx. duration is 4 months, spread over years 1 and 2 of the project. Main contributions will be to Outputs 1.4 (Capacity Building of PA entities), 2.1 (Institutional Review and Reform of SNPA), but also involved in the subject matter of Outputs 1.1 (PAS Finance & Investment Plan), 1.2 (PA costs, management and conservation effectiveness), 1.3 (Funding Mechanisms) and support to various activities by SNPA and partners under Output 2.2 (PA mgt and revenue generation effectiveness on the ground).
3	Mid-Term Review and Terminal Evaluation consultants (Indicative budget reserve approx. \$40K each exercise, all inclusive, with national and international consultants for the MTR and international only for the TE) - TOR sdt.
4	Nat. Consult. Legal, Policy & Institutional Development Expert (medium-term and national counterpart to international TA). Senior, with strong profile in Legal Framework and Public Policies for Environment & PA management, Institutional Development, Capacity Development & Training. Assignment of approx. total duration is 6-7 months intermittent services, spread over years 1 and 2 of the project, giving continuity to the work previously developed through the collaboration with the international TA. Key contributions will be to Outputs 1.1 (PAS Finance & Investment Plan), 1.2 (PA costs, management and conservation effectiveness), 1.3 (Funding Mechanisms), 1.4 (Capacity Building of PA entities), 2.1 (Institutional Review and Reform of SNPA) and support to various activities by SNPA and partners under Output 2.2 (PA mgt and revenue generation effectiveness on the ground).
5	Nat. Consult. Communications & Outreach (medium-term and national counterpart to international TA). With good knowledge of national context and with a marked profile in Public Outreach, Communications, Stakeholder Relations, and Marketing. Assignment of approx. duration is 8 months, spread over years 1, 2

#	Budget notes
	and 3 of the project, giving continuity to the work previously developed through the collaboration with the international TA. Main contributions will be to Outputs 1.4 (Capacity Building of PA entities), 2.1 (Institutional Review and Reform of SNPA), but also involved in the subject matter of Outputs 1.1 (PAS Finance & Investment Plan), 1.2 (PA costs, management and conservation effectiveness), 1.3 (Funding Mechanisms) and support to various activities by SNPA and partners under Output 2.2 (PA mgt and revenue generation effectiveness on the ground).
6	PCU embedded technical assistance and support: 8.35 % time of international CTA (guidance and coordination) plus pro-rata admin support
7	Project Manager (\$168K for the duration of the project divided on a pro-rata basis among components and PMC)
8	Int. Consult. Strategic PA Finance and Economic Advisor (long-term TA contract w/ government). Senior, with strong profile in at least 4-5 of the following areas, plus some knowledge and experience in the other areas: PA management, PA Finance, Strategic Planning & Investment, Environmental Economic Assessments (e.g. on mainstreaming, offsetting, PES schemes), Public Policies, Institutional Development, Capacity Development & Training. Assignment of approx. duration is 2 years, early recruitment, starting just before project inception, embedded in SNPA and supporting primarily SNPA, but also other PA managing entities according to needs and context. Key contributions will be to Outputs 1.1 (PAS Finance & Investment Plan), 1.2 (PA costs, management and conservation effectiveness), 1.3 (Funding Mechanisms), 1.4 (Capacity Building of PA entities), 2.1 (Institutional Review and Reform of SNPA) and support to various activities by SNPA and partners under Output 2.2 (PA mgt and revenue generation effectiveness on the ground).
9	Travel in connection with activities in this Component, but not lumped into consultants' offers.
10	Meetings, workshops (including inception), trainings and stakeholder concertation costs under this Component
11	Specialised service provision company to prepare finance studies and develop financial control systems for PA managing entities in SNPA: Key contributions will be to Outputs 1.1 (PAS Finance & Investment Plan), 1.2 (PA costs, management and conservation effectiveness), 1.3 (Funding Mechanisms), 1.4 (Capacity Building of PA entities), 2.1 (Institutional Review and Reform of SNPA). Detailed TOR to be developed during inception phase, as this is a foundational activity.
12	Indicative budget reserve to candidate Responsible Party MCSS (to be engaged through a mgt agreement with MECCE): PA finance revenue generating activities managed by MCSS (described in Activity 1.3.4). Refer to Annex 8 for more information on MCSS's proposal.
13	Acquisition of computer hardware and software in connection with Activities under this Component.
14	Prof. Serv.: (1) Database development; (2) Proof-reading & translation; (3) Print setting, (4) Partner audit, etc. Managed by PCU.
15	Production and distribution costs of various communication, marketing and outreach materials for various types of media, linked to different activities under this Component.
16	Indicative allocation to Responsible Party SNPA (government - to be engaged through simple MoU) for equipment foreseen under SNPA activities 1 through 9, under Output 2.2 (PA mgt and revenue generation effectiveness on the ground). Refer to Annex 8 for more information on SNPA's proposal.
17	Indicative allocation to Responsible Party SNPA (government - to be engaged through simple MoU) for various Contractual Services foreseen under SNPA activities 1 through 9 (includes also infrastructure and related services), under Output 2.2 (PA mgt and revenue generation effectiveness on the ground). Refer to Annex 8 for more information on SNPA's proposal.
18	Land and mobile telephone charges, courier charges, etc. in connection with activities under this Component.
19	Indicative allocation to Responsible Party SNPA (government - to be engaged through simple MoU for the ICS-SNPA collaboration foreseen under Output 2.2) Introduction of an integrated co-management approach to PA operations on Silhouette Island National and Marine Parks. Refer to Annex 8 for more information on SNPA-ICS's proposal.

#	Budget notes
20	Indicative budget reserve to candidate Responsible Party SIF (to be engaged through a mgt agreement with MECCE): PA finance revenue generating activities managed by SIF (described in Activity 2.2.11). Refer to Annex 8 for more information on SIF's proposal.
21	Indicative budget reserve to candidate Responsible Party NS (to be engaged through a mgt agreement with MECCE): PA finance revenue generating activities managed by NS (described in Activity 2.2.12). Refer to Annex 8 for more information on NS's proposal.
22	Indicative budget reserve to candidate Responsible Party GIF (to be engaged through a mgt agreement with MECCE): PA finance revenue generating activities managed by NS (described in Activity 2.2.13). Refer to Annex 8 for more information on GIF's proposal.
23	Indicative allocation to Responsible Party DoE, under MECCE (government - likely to be implemented directly by Implementing Partner through the PCU): Start-up PA management activities for Recif Island Special Nature Reserve by the Department of Environment, in view of threat averting and creating a revenue stream in the future. (Activity 2.2.14)
24	Indicative budget reserve to candidate Responsible Party TNC (to be engaged through a mgt agreement with MECCE): PA finance revenue generating activities managed by TNC (described in Activity 2.3.1). Refer to Annex 8 for more information on TNC's proposal.
25	Prof. Serv.: (1) Legal services; (2) Engineering advice; (3) Partner funds audit; (4) Proof-reading, Translation (5) Print setting; etc. Managed by PCU.
26	Transport, fuel and maintenance of vehicles
27	Utilities, internet, website domain, security, adverts, etc.
28	Annual audit
29	Central purchase of supplies

6.2 Budget allocations to PA managing entities

--- Refer to [Annex 8](#) for more detail ---

TBW – PA managing entities that can potentially become responsible party	TOTAL (\$)
SNPA	715,000
DoE	20,000
SIF	350,000
GIF	75,000
MCSS	85,894
NS	275,000
TNC	134,000
Grand Total	1,654,894

7 Annexes

Annex 1: Co-Finance Letters

Table 19. Overview of co-financing letters

Name of Co-financier	Date of letter	Co-financing Amount (\$)	Page in separate file
North Island Seychelles	09-Mar-2015	226,981	3
Banyan Tree Seychelles	20-Apr-2015	184,000	4
Seychelles Island Foundation	01-Apr-2015	1,400,000	5
Denis Private Island	05-Mar-2015	182,413	6
Green Island Foundation (GIF)	05-Mar-2015	90,260	7
Marine Conservation Society of Seychelles (MCSS)	31-Mar-2015	160,000	8
Ministry of Environment, Energy and Climate Change (MEECC)	04-Mar-2015	7,000,000	9
Nature Seychelles (NS)	08-Apr-2015	1,570,000	11
Seychelles National Parks Authority (SNPA)	11-Mar-2014	3,200,000	12
The Nature Conservancy (TNC)	18-Feb-2015	1,000,000	13
TOTAL Co-financing		15,013,654	

--- See [separate file](#)---

Annex 2: Terms of Reference for Project Staff /Consultants

Overview of Project Consultants

All TORs will be fully developed and validated prior to the launching of recruitment processes.

Natl. Intl.	Purpose	Intensity of input
N	Project Manager	1 person for 5 years
I	Strategic PA Finance and Economic Advisor - INT	2 years
I	Legal, Policy & Institutional Development - INT	2 months
N	Legal, Policy & Institutional Development - NAT	6-7 months intermittent services
I	Communications & Outreach - INT	4 months
N	Communications & Outreach - NAT	8 months
I & N	MRT and TE consultants	As per sdt TOR

National Project Manager TOR

Background

The project manager (PM) will be selected jointly by the executing agency and UNDP, in consultation with the UNDP-GEF Regional Technical Adviser from the UNDP-GEF Regional Co-ordination Unit in Addis Ababa, through an open and competitive process. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. As such, the PM will be responsible for the overall management of the project, including the mobilization of all project inputs; supervision over project staff, consultants and sub-contractors; and acting as a liaison with the Government, UNDP, private sector partners and other stakeholders (particularly the responsible agencies SIF and NS), and maintaining close collaboration with any donor agencies providing co-financing. The PM will report to the Project Steering Committee (PSC) on overall progress of project activities and report to the Programme Coordinator of the PCU for all of the project's substantive and administrative issues.

Duties and Responsibilities

- Supervise and coordinate the production of project outputs, as per the project document;
- Mobilize all project inputs in accordance with procedures for nationally implemented projects;
- Lead the preparation of consultants' and sub-contractors' terms of reference, identification and selection of national and international sub-contractors/consultants, cost estimation, time scheduling, contracting, and reporting on project activities and budget, and supervise and coordinate the work of all consultants and sub-contractors;
- Supervise and coordinate the work of all project staff, consultants and sub-contractors;
- In close liaison with SNPA and the MECC (the implementing partner), prepare and revise project work and financial plans;

- Liaise with relevant government agencies, and all implementing partners for effective coordination of all project activities;
- Oversee and ensure timely submission of the Inception Report, Combined Project Implementation Review/Annual Project Report (PIR/APR), Technical reports, quarterly financial reports, and other reports as may be required by UNDP, GEF, MEECC and other oversight agencies;
- Disseminate project reports and respond to queries from stakeholders;
- Report progress of project to the PSC, and ensure the fulfilment of PSC directives.
- Oversee the exchange and sharing of experiences and lessons learned with relevant conservation and sustainable development projects nationally and internationally;
- Ensure the timely and effective implementation of all components of the project;
- Assist relevant government agencies and implementing partners with development of essential skills through training workshops and on the job training, thereby upgrading their institutional capabilities;
- Carry out regular, announced and unannounced inspections of all sites and activities.
- Undertake other management duties that contribute to the effective implementation of the project.

Qualifications

- A post-graduate university degree in Environmental Economics;
- At least 10 years of experience in natural resource finance and management (preferably in the context of protected area management);
- At least 5 years of project management experience;
- Working experience with the project stakeholder institutions and agencies is desired;
- Ability to effectively coordinate a multi-stakeholder project;
- Ability to administer budgets, train and work effectively with counterpart staff at all levels and with all groups involved in the project;
- Strong writing, presentation and reporting skills;
- Strong computer skills;
- A good working knowledge of English is a requirement.

Abridged TOR for the Strategic Consultancies - Individuals

Post	Brief description of profile and tasks
<p>Int. Consult. Strategic PA Finance and Economic Advisor Long-term TA contract with government</p>	<p>Senior, with strong profile in at least 4-5 of the following areas, plus some knowledge and experience in the other areas:</p> <ul style="list-style-type: none"> - PA management - PA Finance - Strategic Planning & Investment - Environmental Economic Assessments (e.g. on mainstreaming, offsetting, PES schemes) - Public Policies - Institutional Development, - Capacity Development & Training <p>Assignment of approx. duration is 2 years, early recruitment, starting just before project inception, embedded in SNPA and supporting primarily SNPA, but also other PA managing entities according to needs and context.</p> <p>Key contributions will be to</p> <ul style="list-style-type: none"> • Output 1.1 (PAS Finance & Investment Plan) • Output 1.2 (PA costs, management and conservation effectiveness) • Output 1.3 (Funding Mechanisms)

Post	Brief description of profile and tasks
	<ul style="list-style-type: none"> • Output 1.4 (Capacity Building of PA entities) • Output 2.1 (Institutional Review and Reform of SNPA) • Support to various activities by SNPA and partners under Output 2.2 (PA mgt and revenue generation effectiveness on the ground)
<p>Int. Consult. Legal, Policy & Institutional Development Specialist Short-term TA <u>and counterpart</u></p> <p>Nat. Consult. Legal, Policy & Institutional Development Expert Medium-term and national counterpart to international TA</p>	<p><u>Both:</u> Senior, with strong profile in:</p> <ul style="list-style-type: none"> - Legal Frameworks and Public Policies for Environment & PA management - Institutional Development - Capacity Development & Training. <p><u>International:</u> Assignment of approx. duration is 2 months, spread over years 1 and 2 of the project.</p> <p><u>National:</u> Assignment of approx. total duration is 6-7 months intermittent services, spread over years 1 and 2 of the project, giving continuity to the work previously developed through the collaboration with the international TA.</p> <p><u>Both:</u> Key contributions will be to</p> <ul style="list-style-type: none"> • Output 1.1 (PAS Finance & Investment Plan) • Output 1.2 (PA costs, management and conservation effectiveness) • Output 1.3 (Funding Mechanisms) • Output 1.4 (Capacity Building of PA entities) • Output 2.1 (Institutional Review and Reform of SNPA) • Support to various activities by SNPA and partners under Output 2.2 (PA mgt and revenue generation effectiveness on the ground)
<p>Int. Consult. Communications & Outreach Medium-term TA</p> <p>Nat. Consult. Communications & Outreach Medium-term and national counterpart to international TA</p>	<p><u>International:</u> Specialised with strong profile in Public Outreach, Communications, Stakeholder Relations, and Marketing.</p> <p>Assignment of approx. duration is 4 months, spread over years 1 and 2 of the project.</p> <p><u>National:</u> With good knowledge of national context and with a marked profile in Public Outreach, Communications, Stakeholder Relations, and Marketing.</p> <p>Assignment of approx. duration is 8 months, spread over years 1, 2 and 3 of the project, giving continuity to the work previously developed through the collaboration with the international TA.</p> <p><u>Both:</u> Main contributions will be to:</p> <ul style="list-style-type: none"> • Output 1.4 (Capacity Building of PA entities) • Output 2.1 (Institutional Review and Reform of SNPA) • Also involved in the subject matter of: Outputs 1.1 (PAS Finance & Investment Plan), 1.2 (PA costs, management and conservation effectiveness), 1.3 (Funding Mechanisms) • Support to various activities by SNPA and partners under Output 2.2 (PA mgt and revenue generation effectiveness on the ground).

Abridged TOR for the Strategic Consultancies - Company

Specialised service provision company to prepare finance studies and develop financial control systems for PA managing entities, in particular SNPA

RFP to be offered to a specialized service provider (e.g. a reputed accounting firm) to be procured internationally and in part to individual consultants.

Key contributions will be to

- Output 1.1 (PAS Finance & Investment Plan)
- Output 1.2 (PA costs, management and conservation effectiveness)
- Output 1.3 (Funding Mechanisms)
- Output 1.4 (Capacity Building of PA entities)
- Output 2.1 (Institutional Review and Reform of SNPA)

List of Professional Services required

Other: Standardized Professional Services - Managed by PCU (indicative)

- (1) Legal services
- (2) Engineering advice
- (3) Partner funds audit
- (4) Proof-reading, Translation
- (5) Print setting
- (6) Database development

Annex 3: SO1 Tracking Tools

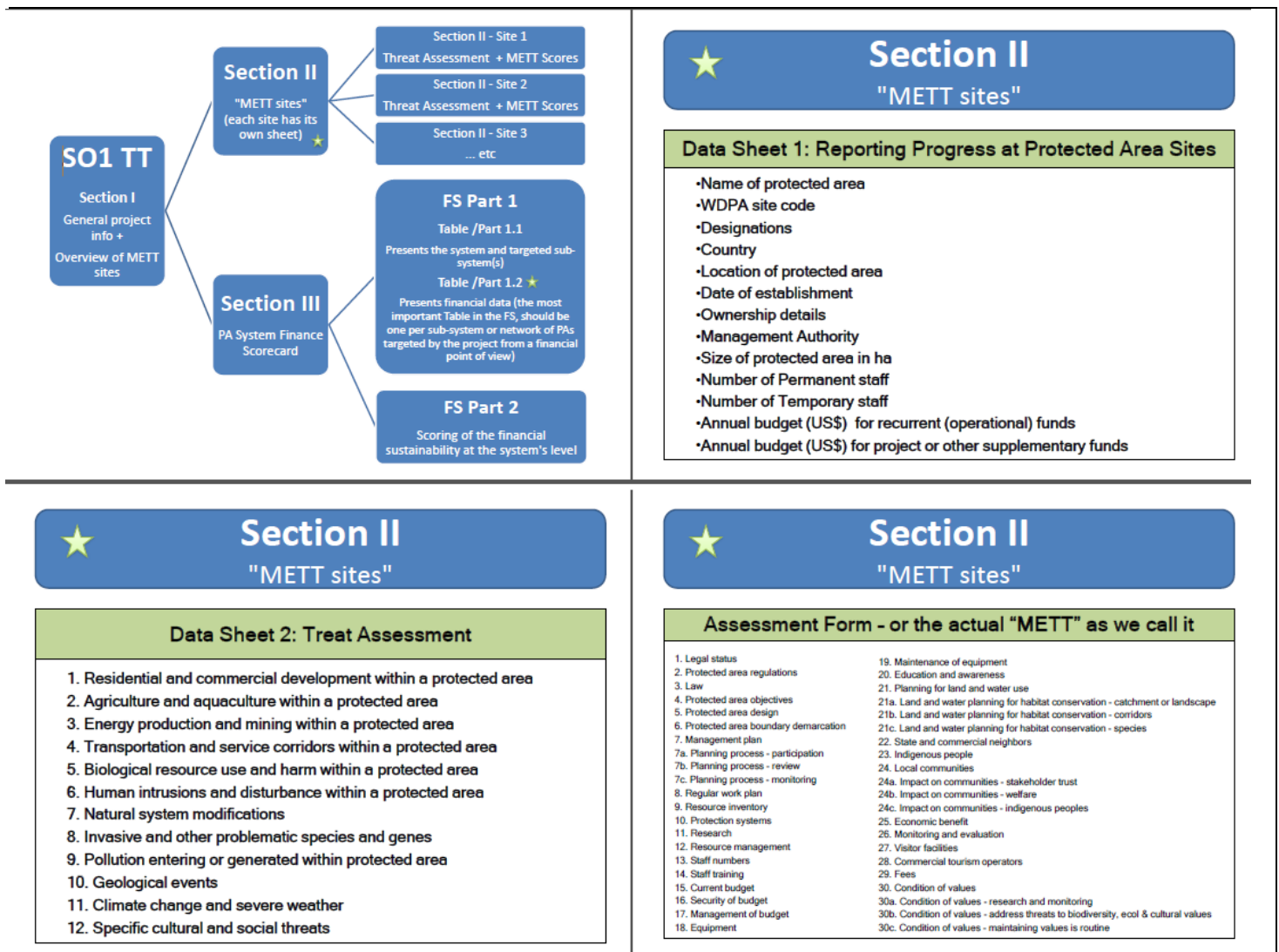
Introduction to SO1 TT assessments carried out under this project

The SO1 Tracking Tool (TT) focuses on PA systems and can be schematically explained as in the figure below. It has been prepared in Excel, as per GEF requirement.

--- See separate Excel file: ---

[ANNEX 3 4645_GEF BD SO1 TT_PA_Fin_Seych_270515.xlsx](#)

Figure 8. SO1 Tracking Tool schematically explained



<p>★ FS Part 1 Table /Part 1.2 Presents financial data</p>	<p>★ FS Part 1 Table /Part 1.2 Presents financial data</p>
<p>Available Finances</p>	<p>Available Finances</p>
	<ul style="list-style-type: none"> •Government Budget •Extra-budgetary funding •Site based revenue •PA generated revenues retained
<p>Costs and Financing Needs</p>	<p>GOAL: To assess total finances available to the PA system</p>
<p>Annual financing gap</p>	
<p>★ FS Part 1 Table /Part 1.2 Presents financial data</p>	<p>★ FS Part 1 Table /Part 1.2 Presents financial data</p>
<p>Costs and Financing Needs</p>	<p>Annual financing gap (financial needs <i>minus</i> available finances)</p>
<ul style="list-style-type: none"> •Annual expenditure for PAs •Estimation of PA system financing needs <ul style="list-style-type: none"> •Costs of basic PA management •Costs of optimal PA management •Costs of expanding the PA system 	<ul style="list-style-type: none"> •Estimation of PA system <u>financing gap</u> for <ul style="list-style-type: none"> •basic management •optimal management •an expanded system
<p>GOAL: To assess needs of managing the PA system and compare it with actual expenditure</p>	<p>GOAL: To assess the surplus or deficit in terms of PA mgt</p>

Behind the preparation of the SO1 TT for this project, there were several system-level, site-level and financial assessments of relative complexity. More specifically, this included a very thorough analysis of PA sub-systems, their financial flows, using the PA finance scorecard, plus a large number of PA management effectiveness assessments with respect to sites, using the METT methodology:

- **PA Finance:** The Financial Scorecard work (SO1 TT, Section III) was completed through a PPG consultancy (namely #3 referred to in [Annex 9](#)). The PAS was divided in discernable sub-systems (Table 22) and the six main ones were object of in-depth assessments. Besides the broader finance assessments carried out under BIOFIN, this has been the most thorough PA finance assessment carried out in Seychelles to date. Table 23 shows a summary of flows.
- **PA Management Effectiveness:** A total of 19 site-level METTs were applied to PAs in Seychelles (SO1 TT, Section II). METT assessments were carried out by the PCU between December 2014 and March 2015. The combined surface for the 19 METT sites is 69,241 ha, which represent some 46% of the overall PA surface considering the expanded system. This has also been the most thorough PA management assessment carried out to date in Seychelles.

Table 20 below shows the data reference for the entire PA estate, its expected expansion and existing PA networks, whereas Table 21 shows the overview of METT sites covered by the project.

Table 20. Overall PA estate data reference sheet

National System of PAs (coverage without overlap)	Number of sites	Terrestrial hectares covered	Marine hectares covered	Total hectares covered	IUCN Cat	PA managing entity	Type of PA management	Status
Beacon, Booby, Boudeuse, Etoile, Ile aux Vaches, Les Mamelles, King Ross	7	10		10	1b	DOE	Government	Gazetted
Recif Island Special Reserve	1	13		13	1b	DOE	Government	Gazetted
Aride Island Special Nature Reserve	1	68		68	1b	ICS (delegated)	Parastatal-NGO Partnership	Gazetted
African Banks	1	1	819	820	2	MLUH	Government	Gazetted
Cousin Special Nature Reserve	1	27	128	155	1b	NS	NGO	Gazetted
Moyenne Island National Park	1	9		9	2	Priv.	Private	Gazetted
Vallee de Mai	1	19		19	1b	SIF	Parastatal	Gazetted
Aldabra Atoll Special Nature Reserve	1	15,260	28,120	43,380	1b	SIF	Parastatal	Gazetted
Iles Cocos, Ile La Fouche, Ilot Platte	3	1		1	2	SNPA	Government	Gazetted
La Digue Veuve Special Reserve	1	21		21	1b	SNPA	Government	Gazetted
Port Launay Marine National Park	1		30	30	2	SNPA	Government	Gazetted
Praslin National Park	1	530		530	2	SNPA	Government	Gazetted
Saint Anne Marine Park	1		1,400	1,400	2	SNPA	Government	Gazetted
Curieuse Marine National Park	1		1,176	1,176	2	SNPA	Government	Gazetted
Baie Ternay Marine National Park	1		87	87	2	SNPA	Government	Gazetted
Morne Seychellois National Park	1	3,102		3,102	2	SNPA	Government	Gazetted
Silhouette Island National Park	2	1,860	3,045	4,905	2	SNPA-ICS-Silhouette Foundation	Parastatal-NGO Partnership	Gazetted
CURRENT ESTATE – Status GAZETTED [A]	26	20,921	34,805	55,726				
New Outer Island Sites (clustered) – status proposed [B]	9	1,855	89,458	91,313				
Desroches Sustainable Use PA	1	369	34,300	34,669	6	ICD - ICS	Parastatal-NGO Partnership	Proposed
Alphonse Sustainable Use PA and St. Francois and Bijoutier Ecological Reserve	1	161	12,830	12,991	1, 6	ICD - ICS	Parastatal-NGO Partnership	Proposed
Poivre (South Island)	1	137	2,838	2,975	6	ICD - ICS	Parastatal-NGO Partnership	Proposed
South Island Farquhar National Park and Banc du Sable / Ile Goelettes Ecological Reserve	1	368	22,290	22,658	1, 2, 6	ICD - ICS	Parastatal-NGO Partnership	Proposed
Cosmoledo Grand Ile Area of Outs. Beauty, Grand & Petite Polyte Special Reserve	1	164	2,400	2,564	tbd	No entity desig.	Government	Proposed
Desneufs Island Area of Outstanding Natural Beauty	1	39	800	839	tbd	No entity desig.	Government	Proposed
Assumption Island National Park	1	482	10,000	10,482	tbd	No entity desig.	Government	Proposed
D'Arros & St. Joseph	2	135	4,000	4,135	1, 6	SOS Found	NGO	Proposed
New Inner Island Sites [C]	3	460	3,147	3,606				
North Island	1	160	903	1,062	5	Wilderness Safaris-GIF	Private	Proposed
Denis Island	1	148	2,244	2,392	5	GIF	Private	Proposed
Curieuse Island National Park (complementing already declared marine area)	1	152	0	152	tbd	SNPA	Government	Proposed
EXPANDED PA ESTATE – status proposed [A + B + C]	38	23,235	127,410	150,645				
Shell Reserves – Status to be possibly considered as part of the PA system [D]	4	0	739	739				
North East Point to Carana	1		299	299	tbd	SFA	Government	Not a formal MPA
La Digue (Anse Severe-Anse Gros Ros)	1		158	158	tbd	SFA	Government	Not a formal MPA
Praslin (Point Zanguire – Point Chevalier)	1		174	174	tbd	SFA	Government	Not a formal MPA
Anse Faure to Fairy Land	1		108	108	tbd	SFA	Government	Not a formal MPA
EXPANDED PA ESTATE WITH SHELL RESERVE ZONES [A + B + C + D]	42	23,235	128,149	151,384				
CURRENT ESTATE WITH SHELL RESERVE ZONES [A + D]	30	20,921	35,544	56,465				

METT Sites and quick overview of baseline result

METT for several sites have been carried out. Together, they cover a surface of 69,241, which represents 46% of the entire (soon to be expanded) PA estate. Hence, it is a rather representative sample.

The different sites have a wide range of METT scores but they point to significant issues that need to be addressed to move towards optimum effectiveness. The sites are listed below and for some an explanation is included.

Table 21. Overview of METT sites

Managing Entity	METT site	Size of METT site in ha ⁵⁵	Date of the assessment	METT Score
SNPA	La Digue Veuve Special Reserve	21	23-Jan-15	49
SNPA	Praslin National Park	530	22-Jan-15	58
SNPA	Curieuse Marine National Park; Curieuse Island National Park	1,328	22-Jan-15	74
SNPA	Morne Seychellois National Park	1,232	19-Dec-14	47
SNPA	Port Launay Marine National Park; Baie Ternay Marine National Park	117	28-Jan-15	51
SNPA	St Anne Marine National Park	1,400	28-Jan-15	55
SNPA	Ile Cocos, Ile La Fouche, Ilot Platte Marine National Park	1	22-Jan-15	64
SIF	Aldabra Atoll Special Reserve	43,375	10-Feb-15	75
SIF	Vallée de Mai	20	29-Mar-15	81
DOE	Recif Island Special reserve	13	03-Feb-15	57
DOE	Beacon, Booby, Boudeuse, Etoile, Ile aux Vaches, Les Mamelles, King Ross	10	10-Feb-15	44
ICS	Aride Island Special Nature Reserve	173	26-Jan-15	73
ICS	Silhouette Island National Park, Silhouette Island Marine National Park	4,905	04-Feb-15	59
ICS	Cosmoledo Grand Ile Area of Outstanding Natural Beauty, Grand & Petite Polyte Special Reserve	2,564	15-Jan-15	17
ICS	Desnoeuvs Island Area of Outstanding Natural Beauty	839	14-Jan-15	39
ICS	Assumption Island National Park	10,482	15-Jan-15	22
NS	Cousin Island Special Reserve	26	15-Jan-15	76
GIF	Denis Island	2,004	17-Jan-15	65
GIF	North Island	201	09-Jan-15	71

⁵⁵ Surface area may be slightly different from data reference in Table 20 and in other derived tables. Explanations are provided in the METT sheets.

Narrative descriptions of METT Sites

Designated in 1979, Curieuse Marine National Park has an area of 0.03 km². The island has several famous historical land marks including a causeway and the doctor's house which is a national monument. It is the most visited of all the Marine National Parks where tourists and local enjoy snorkeling, diving, guided tours and Barbeques. The beaches of Curieuse provide nesting sites for turtles which are some of the most important for the turtle populations of the inner islands. Curieuse island is the only other island apart from Praslin, where the endemic coco de mer (*Lodocea maldivica*) grows naturally. It also hosts the largest wild population of giant tortoises only second to Aldabra. Curieuse also has an important mangrove ecosystem which is one of the most diverse in the inner island and is one of the most famous attraction on the island that attracts visitors.

Curieuse Island is a granitic island close to the north coast of the island of Praslin. Curieuse is notable for its bare red earth intermingled with the unique Coco de Mer palms. 1979, Curieuse and surrounding waters were declared the Curieuse Marine National Park in order to protect the native wildlife. In the late 1970s, a conservation project was initiated for the relocation of tortoises from Aldabra to Curieuse. Today, it is the home of roughly 500 Aldabra Giant Tortoise, 300 of which live at the Ranger's Station and approximately 200 in the wild. On the southern part of the island is a mangrove swamp that is traversed by a walkway for park visitors. The island is also known for Coco de Mer palms, giant takamaka trees, a large hawksbill turtle rookery and several bird species, such as the rare Seychelles Black Parrot *Coracopis nigra barklyi*, a parrot found only here and on Praslin.

Most visitors to the Curieuse Marine National Park disembark at Baie Laraie, where the shallow water is known for its population of large humphead parrotfish, growing up to 1.2 m in length. There is a trail from Baie Laraie to Anse St. José on the other side of the island passing over the boardwalk through the thick mangrove forest. The ruins of the leper colony is now well blended into the landscape and includes Creole colonial architecture which consists of a doctor's house turned into a museum containing all the information about Curieuse Island.

Port Launay and Baie Ternay parks were designated in 1979. Each covers an area of 0.3 km². They are the only parks accessible by both land and sea. While Port Launay beach is popular with both locals and tourists, the beaches at Baie Ternay are more secluded. The shoreline of Baie Ternay consists of sandy beaches, rocky shores, sea-grass beds, mangroves and coral reefs. Hawksbill turtles, moray eels, dolphins, lemon sharks, and sea birds, all inhabit this beautiful shoreline and if you are lucky you can even sight whale sharks from October-December.

The Ile Cocos Marine Park is one of the most renowned snorkeling spot in the country, due to its crystal clear water and rich marine life. It is made up of 3 islets - Ile Cocos, Ile aux Plate and Ile La Fouche. It was designated in 1997 and covers an area of 0.01 km². The park is easily accessible by boat from either La Digue or Praslin. Unfortunately the MPA suffered severely from the 1998 coral bleaching event but for the past 5 years or so there has been a significant increase in coral cover that is enjoyed by the visitors.

Cousin Island is a small (27 ha) granitic island of the Seychelles, lying 2 km west of Praslin. It is a nature reserve protected under Seychelles law as a Special Reserve. It is managed by Nature Seychelles, a national nonprofit organization and Partner of BirdLife International, by which it has been identified as an Important Bird Area. There are several species of endemic Seychelles lizards on the island, the skinks *Mabuya wrightii*, *M. seychellensis* and *Pamelascincus gardineri* and the geckos *Phelsuma astriata* and *Ailuronyx sechellensis*, as well as a freshwater turtle *Pelusios subniger* and 12 individuals of the Aldabra Giant Tortoise. It is an important nesting site for Hawksbill Turtles and, occasionally, Green Turtles. The island is free of rats. The island was the last refuge of the Seychelles Warbler, with only 26–29 individual birds left in 1959. Following conservation efforts the population began to recover and birds were translocated to other islands.

In 1999 the population on Cousin was 353 birds with 104 occupied territories. The total warbler population has since grown to some 3,000 birds. The island is one of only four that host the Seychelles Fody, with an estimated

800–1,200 birds in 1997. A small breeding population of Seychelles Magpie-Robin was established in 1995, with three pairs translocated from Frégate; in 1997 the population had increased to 25 birds in four occupied territories. Other landbirds present include the endemic Seychelles Sunbird and Seychelles Blue Pigeon as well as the Malagasy Turtle Dove. The island hosts over 300,000 nesting seabirds of seven species. A large colony, dominated by Lesser Noddies, but including about 1300 pairs of Brown Noddies, is present from May to September during the south-east monsoon. During the north-west monsoon, the hill supports a breeding colony of Wedge-tailed Shearwaters. Year-round breeders include White and Bridled Terns, White-tailed Tropicbirds and some 1000–1,500 pairs of Audubon's Shearwaters. Several hundred Great and Lesser Frigatebirds use the island for roosting and can be seen soaring over it. Some waders are present throughout the year, the commonest being the Ruddy Turnstone. Common Moorhens and Striated Herons also breed on the island Aldabra.

Aldabra Atoll, part of the Seychelles archipelago and one of the largest raised atolls in the world, is a Special Reserve, considered part of a global biodiversity hotspot (Conservation International) and declared a Wetland Site of International Importance by Ramsar (2009). Aldabra hosts many threatened and endemic species and is a valuable scientific research area of high international repute for marine and terrestrial ecosystems. The main threats include invasive alien species, pollution, climate change, poaching, piracy and economic pressure.

Silhouette Island lies 20 km (12 miles) northwest of Mahé in the Seychelles. It is the third largest granitic island in the Seychelles. It has an area of 20 km² and has a population of about 200 inhabitants, mostly workers on the island. The main settlement is La Passe, where there is a hotel for visitors to Silhouette. Silhouette Island is one of the richest biodiversity hot-spots in the western Indian Ocean with many endemic and threatened plant and animal species. Among the most important is the Critically Endangered Seychelles sheath-tailed bat. Two roosting caves have been located, part of a single system of passages in a boulder field. Another roost complex was discovered in 2005 and 32 bats recorded. Most of the 75 or so endemic plants of the granitic islands of Seychelles are found on Silhouette, some of them unique to the island. One of the rarest of these is the Critically Endangered *Impatiens gordonii*, a white-flowered relative of the well-known garden plant Busy Lizzie, only ever recorded on Mahe and Silhouette. In 1987 the surrounding waters were declared a Marine National Park. In 2010, Silhouette National Park was created protecting 93% of the landmass. The island is also an Important Bird Area and is considered by the Alliance for Zero Extinction to be an important site for the survival of Critically Endangered species. While Silhouette is one of the largest terrestrial and marine PA in the country and is an important biodiversity hotspot, it is also characterized by luxury tourism, with around 30,000 bed nights per year and an average length of stay per visitor of more than 7 days.

Recif Island has been declared Special nature reserve in 2010. It covers a total land area of 13.2 ha. With its flat, rocky strips and minimal elevation, it provides an ideal habitat for ground-nesting seabirds and hosts important populations of such species as the sooty, fairy and bridled terns, lesser and brown noddies, and wedge-tailed and Audubon's shearwaters. The DoE has the mandate to manage Recif but conservation activities remain limited due to the lack of financing capacity.

North Island and Denis Island and their surrounding marine area are on the verge of being proclaimed legally PA. GIF is responsible for the conservation aspects, and shall be in charge of monitoring and enforcing these new PA with assistance of the Government of Seychelles. Currently both islands, together with their partners, coordinate a variety of conservation projects in the proposed protected areas which have resulted in unique ecosystems, the value of which warrants legal protection. Most of these activities are largely sponsored by the islands themselves through income generated from the luxury hotel resorts on the islands, some partially funded by external donors. With impending proclamation, there will be a need for increased monitoring and enforcement of the PA, sourcing of additional equipment and various other expenses. This gap between current and future expenditures will have to be closed in order to ensure successful establishment of the protected areas

Morne Seychellois Terrestrial National Park is located on the island of Mahe and was designated in 1979. The largest of all the terrestrial parks in the inner islands, it extends over 3,000 ha (though actual surface is undergoing review) from the doorstep of Victoria, from sea level up to the highest summits culminating at the

height of 910 m. The park and its nature trails provide recreation for tourists and local inhabitants. It is home to an important biodiversity, which includes most of the endemic plants of the country, as well as a large number of endemic animals. One such animal is the tiniest known amphibian, a sooglosid frog that is no bigger than a 25 cent coin and belong to a relic family of frogs.

Morne Seychellois National Park includes the 914 m peak of Morne Seychellois, the highest mountain of Seychelles. During the 19th and the first half of the 20th centuries there was extensive exploitation of the original forests for timber as well as for cinnamon plantations. Present human activity, including forestry, tourism and some tea cultivation, affect less than 10% of the area of the Important Bird Area. The site has been identified as an Important Bird Area (IBA) by BirdLife International⁵⁶ because it supports populations of Seychelles kestrels, Seychelles blue-pigeons, Seychelles scops-owls, Seychelles swiftlets, Seychelles bulbuls, Seychelles white-eyes and Seychelles sunbirds Land within the national park is characterized by steep terrain covered with dense secondary forest and shrub woodland, punctuated by cliffs and large granite boulders. Above 600 m elevation there are remnant stands of primary forest with few exotics. Endemic species include the very rare *Medusagyne oppositifolia* and *Vateriopsis sechellarum*, the commoner *Dillenia ferruginea* and *Northea hornei*, as well as *Phoenicophorium borsigianum*, *Nephrosperma vanhoutteanum*, *Erythroxylum sechellarum*, *Nepenthes pervillei* and *Secamone schimperianus*.

The Praslin Terrestrial National Park encompasses the nature reserve of Vallée de Mai (a world heritage site) and it is one of the few areas where the world famous Coco de mer grows naturally. It is habitat for the endemic Black Parrot, whose population had declined significantly over the past decade. Designated in 1979, it covers an area of 337 ha and is situated in the centre of the island. As Praslin is a fire prone island, especially during the dry season, the park is delimited by firebreaks.

The Veuve Special Reserve was legally designated as such in 1991 and in 1993 an information centre was opened. Located on La Digue, the Veuve Special Reserve forms part of a 200 ha plateau, on the Western side of the island, and it covers 21 ha. The veuve Special Reserve is a special reserve for the protection of wildlife habitats and plant species. It is committed to provide a breeding and feeding habitat for the rare endemic bird species, the Seychelles Black Paradise Flycatcher (*Tersiphone corvina*) population on La Digue. Badamier and Takamaka trees are the preferred tree species for nesting sites by the flycatchers. There are currently six breeding territories held by male flycatchers within the boundary of the reserve. While the Reserve does not provide enough habitats to maintain a viable population of flycatchers, the value of the reserve as a remaining habitat for the birds is increasing due to the rapid removal of hardwood trees on the plateau of La Digue. In addition to suitable breeding habitat, the flycatchers benefit from the abundance of insects in and around the reserve. This is in part due to the nearby freshwater marsh, natural pond, and man-made ponds which provide breeding grounds for many insects. Approximately 1,000 international visitors come to the La Digue Veuve Reserve each year.

⁵⁶ <http://www.birdlife.org/>

Overview of PA Finance Scorecard parameters and results

Table 22. Financial Scorecard, Part I, topic 1.1: Protected Areas System, sub-systems and networks

	Number of sites	Terrestrial hectares covered	Marine hectares covered	Total hectares covered	Institution responsible for PA management
Seychelles' National System of PAs, or PAS , is composed of 7 "SUB-SYSTEMS" (6 of which have been closely analysed during the PPG and were clustered from a financial and management point of view) and various "NETWORKS" of PAs (where either the geographical aspect, proclamation status or the PA typology can be on focus). As this is a PA Finance Project, the analysis will revolve around the financial sub-systems.					
Financial Sub-systems:					
1) SNPA sub-system	11	3,806	2,693	6,499	Seychelles National Parks Authority (government)
2) DoE sub-system	8	23	0	23	Department of Environment (government)
3) SIF sub-system	2	15,279	28,120	43,399	Seychelles Island Foundation (public trust for the management of WHS)
4) ICS sub-system	7	2,963	75,303	78,266	Island Conservation Society (CSO) under various partnership agreements
5) NS sub-system	1	27	128	155	Nature Seychelles (CSO)
6) GIF sub-system	2	308	3,147	3,454	GIF (CSO with direct private sector support)
7) The remainder (financial) sub-system	7	830	18,019	18,849	
All seven sub-systems)	38	23,235	127,410	150,645	See note [*]
Sub-systems 1 through 7)	31	22,405	109,391	131,796	

* The 7th sub-system includes African Banks managed by the Ministry of Land Use and Housing, Moyenne, managed by its private owners and sites for which a managing entity is yet to be designated, and D'Arros & St. Joseph, which is managed by Save Our Seas Foundation. Other sub-systems beyond the seven listed herein could e.g. include Shell Reserves (managed by Seychelles Fisheries Authority and reaching 739 ha of seascapes), though it is not clear whether their status would allow them to be considered as part of the PA system, plus any new category of PA emerging category from the Marine Spatial Planning exercise.

Table 23. Financial Scorecard, Part I, topic 1.2: Financial Analysis of the National Protected Area System

Financial Analysis of main sub-systems in Seychelles covering 88% of the PA estate, as a proxy for the overall PAS (Reference to Logframe Indicators 2, 4, 7)	Total Flows in Baseline Year 2013 (\$)	SNPA Baseline Year 2013	DOE Baseline Year 2013	SIF Baseline Year 2013	ICS Baseline Year 2014	NS Baseline Year 2013	GIF Baseline Year 2014 (as a proxy for 2013)
Available Finances							
(1) Total annual central government budget allocated to PA management (excluding donor funds and revenues generated for the PA system)	1,459,630	1,452,970	6,660	0	0	0	0
(2) Extra budgetary funding for PA management	109,723					109,723	
(3) Total annual site based revenue generation across all PAs broken down by source[6]	3,925,470	1,314,540	0	1,995,445	217,209	398,276	0
(4) Percentage of PA generated revenues retained in the PA system for re-investment[8]	67%	0%	100%	100%	100%	100%	100%
<i>Total (\$) PA generated revenues retained in the PA system for re-investment</i>	<i>2,610,930</i>	<i>0</i>	<i>0</i>	<i>1,995,445</i>	<i>217,209</i>	<i>398,276</i>	<i>0</i>
(5) Total finances available to the PA system [line item 1+2.A+2.B]+ [line item 3 * line item 4]	5,398,109	1,452,970	24,354	2,173,445	857,209	507,999	382,132
Costs and Financing Needs							
(1) Total annual expenditure for PAs (all PA operating and investment costs and system level expenses)[9]	5,083,088	1,259,236	24,354	2,044,050	848,864	524,452	382,132
(2) Estimation of PA system financing needs							
A. Estimated financing needs for <i>basic</i> management costs (operational and investments) to be covered	8,126,525	2,681,039	35,307	1,860,000	2,520,282	538,460	491,437
B. Estimated financing needs for <i>optimal</i> management costs (operational and investments) to be covered	12,083,479	4,246,540	41,846	2,825,000	3,658,244	692,308	619,541
Annual financing gap (financial needs – available finances)[10]							
1. Net actual annual surplus/deficit[11]	315,021	193,734	0	129,395	8,345	-16,453	0
2. Annual financing gap for basic management scenarios	2,728,416	1,228,069	10,953	-313,445	1,663,073	30,461	109,305
3. Annual financing gap for optimal management scenarios	6,685,370	2,793,570	17,492	651,555	2,801,035	184,309	237,409
4. Annual financing gap for basic management of an expanded PA system (current network costs plus annual costs of adding more PAs)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5. Projected annual financing gap for basic expenditure scenario in year X+5 ^{[12],[13]}	13,642,080	6,140,345	54,765	-1,567,225	8,315,365	152,305	546,525
Gap within the basic mgt scenario, as a % total finances available	51%	85%	45%	-14%	194%	6%	29%
Gap within the optimal mgt scenario, as a % total finances available	124%	192%	72%	30%	327%	36%	62%

Table 24. Financial Scorecard, Part II: Assessing Elements of the Financing System

2014/5 Scoring for the PA Systems' Financial Sustainability Scorecard applied to the main PA sub-systems in Seychelles covering 88% of the PA estate, as a proxy for the overall PAS (Reference to Logframe Indicators 1a and 1b)	SNPA	DOE	SIF	ICS	NS	GIF	Average for the 6 main PA managing entities
Component 1 – Legal, regulatory and institutional frameworks							
Total Score for Component 1 (out of a total possible score of 95)	8	5	19	25	19	10	16
% achieved	8%	5%	20%	26%	20%	11%	17%
Element 1 - Legal, policy and regulatory support for revenue generation by PAs Element 2 - Legal, policy and regulatory support for revenue retention and sharing within the PA system Element 3 - Legal and regulatory conditions for establishing Funds (endowment, sinking or revolving) Element 4 - Legal, policy and regulatory support for alternative institutional arrangements for PA management to reduce cost burden to government Element 5 - National PA Financing Strategies Element 6 - Economic valuation of protected area systems (ecosystem services, tourism based employment etc.) Element 7 - Improved government budgeting for PA systems Element 8 - Clearly defined institutional responsibilities for financial management of PAs Element 9 - Well-defined staffing requirements, profiles and incentives at site and system level							
Component 2 – Business planning and tools for cost-effective management							
Total Score for Component 2 (out of a total possible score of 59)	4	3	12	25	18	5	11
% achieved	7%	5%	20%	42%	31%	8%	19%
Element 1 - PA site-level management and business planning Element 2 - Operational, transparent and useful accounting and auditing systems Element 3 - Systems for monitoring and reporting on financial management performance Element 4 - Methods for allocating funds across individual PA sites Element 5 - Training and support networks to enable PA managers to operate more cost-effectively							
Component 3 – Tools for revenue generation by PAs							
Total Score for Component 3 (out of a total possible score of 71)	9	8	10	12	13	1	10
% achieved	13%	11%	14%	17%	18%	1%	14%
Element 1 - Number and variety of revenue sources used across the PA system Element 2 - Setting and establishment of user fees across the PA system Element 3 - Effective fee collection systems Element 4 - Communication strategies to increase public awareness about the rationale for revenue generation mechanisms Element 5 - Operational PES schemes for PAs Element 6 - Concessions operating within PAs Element 7 - PA training programmes on revenue generation mechanisms							
Total Score for all Components (out of a total possible score of 225)	21	16	41	62	50	16	37
Overall % achieved	9%	7%	18%	28%	22%	7%	16%

Annex 4: Incremental Cost Analysis

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.

Generally, finance sustainability is low across the PA system 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.⁵⁷

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;
- 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%.

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.

⁵⁷ Includes co-financing from MCSS (at **\$160K**), MEECC (at \$7,000K) and NS (\$1,570K), totalling \$8,770K or \$8.8M which were considered in the baseline calculation. All other co-financing has been leveraged by the GEF project.

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

Annex 5: Exploring existing and innovative financing mechanisms for the PAS

This annex complements the analysis contained in [PRODOC Section 1.2.6](#) PA and existing and innovative financing mechanisms.

The debt-for-nature swap and the Seychelles Conservation and Climate Adaptation Trust (SCCAT)

The idea to negotiate the debt into a debt-for-nature swap goes back in 2011/2012. The first required action is to pass the legislation about this financial mechanism, and the second action is to make it operational. The swap will be an important financial contribution for the management of PAs. The Nature Conservancy (TNC) is working on this swap since three years with the Government of Seychelles and the government's financial advisor, White Oak Advisory.

Under the negotiated arrangement, the country will commit to protecting up to 200,000 km² of its EEZ, or 15% of it, as marine protected areas or fisheries exclusion zones, and a further 15% as managed sustainable fishing zones, in exchange for a renegotiation of its external bilateral debt. The deal involves the *Club de Paris*⁵⁸ donors and South Africa, buying back part of the Seychelles' debt at a discounted rate and using the surplus money to pay for conservation initiatives, rather than continue to pay debt service and interest fees from the original loan.

The total debt is roughly 82 million USD, of which some 46.5 million USD will be bought back under the *Club de Paris* rules. The debt will be converted into new government-issued debt in the name of the soon-to-be-created Seychelles Conservation and Climate Adaptation Trust (SCCAT).

Over a twenty-year period, the proceeds of that issuance will be used to finance marine conservation and climate adaptation efforts in and around Seychelles, capitalize an endowment to finance future work, and repay investors.

The special trust vehicle, the SCCAT, should be in place in June 2015. It will be capitalized with payments from both swapped loans and grants. Through the swap, the Government of Seychelles will receive immediate debt relief of up to 23.44 million USD (equivalent to 2.34% of GDP), expected to generate payments into the SCCAT for adaptation to climate change in marine ecosystems, estimated at approximately 2.52 million USD per year over the life of the promissory note to be issued.

The debt relief equivalent amount will be made available for climate change ecosystem-based adaptation programs for the marine environment. Also, under the initiative, some 1.9 million USD (payable in equivalent local currency) of the principal and interest payments will be used annually to finance adaptation projects in the country. More specifically, programs will involve: (i) expanding and improving management of marine PAs and fisheries replenishment/no-take zones; (ii) developing and/or improving coastal zone management, fisheries, and marine policy and regulatory protection regimes; (iii) coral and mangrove restoration projects; (iv) provision of alternative livelihoods for affected users; (v) improving social resiliency to climate change;

⁵⁸ <http://www.clubdeparis.org>

and (vi) developing a comprehensive Disaster Risk Reduction (DRR) strategy for the Seychelles marine coastal system.

In terms of SCCAT governance, a nine member Board was selected, with five civil society Board Directors and four government Board Directors. Of note, the Board Directors will serve without remuneration. Three Founding Members were selected including: 1) the Ministry of Finance, Trade and the Blue Economy (MBTBE), 2) TNC, and 3) representatives from the civil society (formerly, it was a member from the Seychelles Liaison Unit of Non-Governmental Organizations or LUNGO). Founding Members have special veto powers, meaning that for any major changes to the objectives of SCCAT, its Articles of Association, etc. all three Founding Members must agree to these changes. This ensures that the mission and objectives of the SCCAT cannot be changed without full agreement by the three Founding Members. The remaining three government Board Directors include: the MEECC, and the Ministry of Land Use and Habitat (MLUH). The remaining three civil society Board Directors include: Seychelles Chamber of Commerce & Industry (SCCI), Seychelles Hospitality and Tourism Association, and a second seat for the civil society (formerly gathered into LUNGO). It was decided to create SCCAT through the existing Seychelles Companies Act and ultimately to have SCCAT be registered as a Charity in the Seychelles.

The SCCAT legislation is currently being converted into Articles of Association by in-country legal Counsel. Once the Articles are finalized, they will be reviewed by the Attorney General's office. Once comments from the Attorney General's office have been incorporated, the Articles of Association will go to the Cabinet of Minister's for their endorsement. Once endorsed, the Articles of Association (and other required documents) will be filed to create SCCAT as a Seychelles based company. Once filed, SCCAT will exist within a few days. Further filings will be required for SCCAT to receive its charitable status from the Government.

Payment for ecosystem services (PES)

Payments for ecosystem service (PES) represents a type of revenue approach that largely falls under the third category of innovative financing.⁵⁹ While attractive few genuine PES opportunities may actually apply in Seychelles, it is important to distinguish PES from other more accessible funding streams that do not necessarily require the development of new markets.

PES has become more prominent in the conservation literature and practical successful experiences have already influenced the discourse of several government on the future funding of environmental assets including protected areas.

PES refers to the development of markets for environmental services. Most commonly landowners or land users (as potential service providers) are compensated by interest groups seeking to procure specific services (e.g. water flows or biodiversity habitat) that would only be supplied pending specific land use decisions by these owners/users. Such transactions are attractive to government because some forms of PES obviate the need for government funding. In other words, some situations would imply private to private transactions. This could effectively remove some forms of environmental spending from government budgets.

⁵⁹ Listed [further up](#) (domestic, international and innovative).

In practice, the role of government in PES schemes is important, even if only to provide information to clarify the nature of and opportunities for potential PES schemes.⁶⁰ PES schemes are relevant to PA finance because sound PA management may form the basis of a variety of ecosystem services that generate market value. Potentially marketable ecosystem goods and services can act as proxies for the conservation of less marketable assets, such as biodiversity.

PES schemes are commonly classified according to five criteria: (1) a voluntary transaction, with (2) a well-defined ecosystem services that is acquired by (3) an environmental service buyer from (4) an environmental service provider (5) given the service is continuously delivered only when payments are made⁶¹.

While the theoretical structure of PES schemes is relatively well-documented, the successful conditions for real scheme development are often more idiosyncratic and dependent on spatial and thematic elements of the good in question and the historical and legal roles of stakeholders in its management. Thus for example, the while watershed PES schemes have been widely appreciated, other services are less well established. Moreover, from a review of the literature, the scope for PES based on marine transactions appears to be highly limited, and this immediately narrows down the options in Seychelles.

The conditions for PES are clearly more complex than other revenue options and are only a subset of possible park financing options. In considering the requirements for PES schemes to become as a viable resource mobilization option for PAs, it is important to develop some prioritization between measures that are both proximate (i.e. within more immediate control of government and stakeholders) and those that require the development of new market structures, including the establishment of new or the amendment of existing legal rights for both the buyer and sellers of the services.

At present, the development of a new Protected Areas Act provides an opportunity to stipulate relevant property rights over park resources. Based on the Seychelles context, only a subset of feasible measures can be considered in the country. In each case the feasibility of the source and (as relevant) associated project activities is suggested and outlined with reference to revenue potential baseline legal status and the development of project elements (timeframe, cost and indicators etc.).

Table 25. Categories and proposed PES for the Seychelles

Type of PES (Reference to Logframe Indicator 9a)		
Current domestic revenue sources	International revenue sources	Novel/innovative sources incl. PES
1. Existing (environment and conservation) sector budgets 2. Existing government levies destined wholly or partly for PA funding	1. More general arrival charge to cover all entries or a modest "PA access passport" of around 5-10 USD per passenger. 2. Debt for Nature/Adaptation Swap	1. Payments for water services related to PAs (e.g. direct water abstractions by water bottling plants, and agricultural producers) 2. Payments for flood and sedimentation control (this option might legitimately be linked to Debt for adaptation swap. In this

⁶⁰ In some cases, the PES literature fails to distinguish PES from other schemes where government remains the main "purchaser" of environmental outputs (e.g. in European agriculture). This is potentially an academic distinction, but the continued role of government obviously implies some associated regulatory costs.

⁶¹ Wunder 2005; Forest Trends 2010

Type of PES (Reference to Logframe Indicator 9a)		
Current domestic revenue sources	International revenue sources	Novel/innovative sources incl. PES
3. Park entry fees 4. Public-private finance initiatives 5. Forms of cross-subsidization initiatives based on public-public or public-private ownership structures.	3. Other donor sources including linking PA to climate funding 4. Other financial institutions	case revenues used to support this form of “ecosystem-based adaptation” as provisioned by PAs 3. Carbon sequestration credits 4. Biodiversity offsets (separate project input) 5. Hydropower potential related to PAs

Biodiversity impact mitigation hierarchy

The Seychelles tries to adopt the mitigation hierarchy that consists in infrastructure development projects that would allow a “no net loss” of biodiversity (or even a net gain). This initiative is divided into four steps:

- **Avoidance:** measures taken to avoid creating impacts from the outset, such as careful spatial or temporal placement of elements of infrastructure, in order to completely avoid impacts on certain components of biodiversity.
- **Minimization:** measures taken to reduce the duration, intensity and / or extent of impacts (including direct, indirect and cumulative impacts, as appropriate) that cannot be completely avoided, as far as is practically feasible.
- **Rehabilitation/restoration:** measures taken to rehabilitate degraded ecosystems or restore cleared ecosystems following exposure to impacts that cannot be completely avoided and/ or minimized.
- **Offset:** as a last resort, it consists in measures taken to compensate for any residual significant, adverse impacts that cannot be avoided, minimized and / or rehabilitated or restored, in order to achieve no net loss or a net gain of biodiversity. Offsets can take the form of positive management interventions such as restoration of degraded habitat, arrested degradation or averted risk, protecting areas where there is imminent or projected loss of biodiversity⁶².

There is very little experience on biodiversity offsetting in Seychelles, and the project intends to explore if there are opportunities to develop such mechanisms, with some specific sectors such as the oil, the fishery and the tourism sectors. At the same time, several examples show that the principle is somehow already integrated by such stakeholders such as the Government of Seychelles and hotels investors on private islands. Indeed, in the context of certain large hotel projects impacting the environment, the Government of Seychelles is directly negotiating environmental and financial compensation with investors – focusing on mitigation not offsetting.

In the case of some private islands, investors integrate environmental restoration and environmental management in their project. In all these cases, the terminology “biodiversity offsetting” is not used, and there are no technical foundations explaining the evaluation of environmental losses and mitigation related to it. The existence of these example creates a favorable context for the formalization of a biodiversity offset

⁶² Source : http://bbop.forest-trends.org/pages/mitigation_hierarchy

mechanism and for the use of this mechanism to finance e.g. the creation of new PAs, the management costs of existing ones or the restoration, preservation or improvement of priority habitats in PAs. This could be important for several SNPA managed sites and if such schemes could help SNPA meet its funding needs.

It is important to remember that biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development after appropriate prevention and mitigation measures have been taken (avoid, reduce, compensate). Thus, biodiversity offsets are not intended to be a full financing tool for SNPA, linked to major development projects, but should remain an optional mechanism that is only used to treat the residual impacts of the projects.

The current taxation system

This section explores the existing financing of the PA, starting by the fiscal policy of the country which applies to key PA-related stakeholders such as the tourism industry and the NGOs.⁶³

A corporate tax is applicable for all businesses regardless of their activity and entity type. The presumptive tax rate is 1.5% of the business' gross annual turnover. A business tax is levied on the business taxable income. The rate is specified as per the First Schedule of the Business Tax Act of 2009⁶⁴ in the case of an entity, a Government body or a trustee as follows: 25% on the first one million SR of taxable income, and 30 % on the remainder.

Rules regarding repatriation of profits and dividends are simple: the country has removed all foreign exchange controls and repatriation of profits is allowed.

Some investment incentives exist. The concessions granted relating to the business tax under the Tourism Incentives Act and under the Agriculture and Fisheries (Incentives) Act of 2005 have been moved to the 2009 Business Tax Act, as per the Eight Schedule which includes the rate of business tax, special deduction in terms of expenditure, training, marketing & promotion, accelerated depreciation, etc. Trades Tax concession is applicable during the construction phase of the project and to be approved by the Ministry of Finance. There is no concession from Value Added Tax (VAT). The business has to register for VAT to be able to claim back the VAT paid and or eligible for deferred payment of VAT.

The rules regarding land ownership by foreign companies are that investors can lease land from the Government of Seychelles and/or buy land from the private sector. The Government of Seychelles will lease commercial or industrial property on terms ranging from 60 to 99 years depending on the type and scale of the development. The Seychelles Investment Act from 2010 guarantees that any investment is protected against nationalization or expropriation by the State.

Some restrictions exist on foreign investment. There are no limitations on the participation of foreign capital in the services sectors except for the participation in the sectors referred to as "Reserved" and "Strategic" areas of investment. "Reserved" areas, according to Seychelles' current investment legislation, refer to activities which are reserved for domestic investors only, while "Strategic" areas relate to sectors in which

⁶³ Sources: Spenceley A., 2014. Tourism concession guidelines for transfrontier conservation areas in SADC; Ministry of Tourism and Culture of the Seychelles; Seychelles Chamber of Commerce and Industry (SCCI).

⁶⁴ Amended by S.I. 66 of 2012.

domestic and foreign investors may be allowed to operate subject to conditions designed to protect the public interest⁶⁵.

In addition, the country introduced in January 2013 a Corporate Social Responsibility tax (CSR)⁶⁶. Seychelles Revenue Commission (SRC) has been mandated to facilitate the implementation and collection of revenue for any new tax,. The CSR is widely understood to entail compliance with ethical and regulatory standards, promoting accountability for businesses’ actions that can lead to a positive impact on the communities and markets in which it operates. The CSR is payable at 0.5% of monthly turnover⁶⁷. The revenue projections of the CSR tax are as follows:

Table 26. CSR Tax Projections ('000 SR, period 2013-2015)⁶⁸

Tax	2013	2014	2015
CSR	85,000	91,452	98,384

The objectives of the CSR tax are to promote the sense of social engagement and partnership by all national stakeholders in assisting the country to achieve socio-economic goals, ensure the business community's support to national and community based programs, and support the Community Based Organisations (CBOs), NGOs and other non-State actors with the implementation of their respective action plans. Among the qualifying sectors or projects are the protection and preservation of the environment such as maintenance of national heritage, environmental and historical sites (restricted to sites classified by the Government of Seychelles), or coastal management (e.g. planting of coastal vegetation). Hence, the CSR tax is relevant for PA financing.

⁶⁵ In terms of tourism investment, the following are reserved for domestic investors only: i) Accommodation of up to 15 rooms, ii) Live aboard up to 5 boats, iii) Travel Agent, iii) Tourist Guide, iv) Car Hire Operator, v) Boat Charter, vi) Taxi Operator, vii) Diving Centers (excluding centers operating on outer islands and dive operators), viii) Water Sports.

⁶⁶ <http://www.src.gov.sc/pages/csr/csr.aspx>

⁶⁷ S.I. 16 of 2013.

⁶⁸ Budget Strategy and Outlook 2013, Ministry of Finance, Trade and Investments

Annex 6: Analysis of Policy, Legislative and Regulatory Frameworks

This annex complements the analysis contained in [PRODOC section 1.2.5](#) Policy, legislative and regulatory context.

Foundational Legislation on Protected Areas

The 1969 National Parks and Nature Conservancy Act succeeded the 1967 PA Act and it became the more relevant legislation for protected areas (National Parks and Special Reserves). It remains the primary piece of legislation for protected area in the country and it regulates the establishment, management, use and development of the categories of protected areas. The 1967 Protected Areas Act remains in force but it is used primarily for reasons of national and internal security (i.e. to exclude persons/public access from certain areas), but it has however also been utilized to designate a PA for environmental reasons⁶⁹. In addition, a National Parks and Nature Conservancy Ordinance (1971, amended in 1973 and 1982) covers the establishment of National Parks and Special Reserves. It is under review.

The 2013 PA Policy

The key and most essential policy related to the project is the 2013 Protected Area Policy. It was adopted in October that year to meet the obligations of membership in the CBD and the Program of Work on Protected Areas and to align the national PA nomenclature with the international IUCN categories. This includes the consolidation of a Protected Areas System (PAS) which is both comprehensive and representative of the country's ecosystems. In addition to the existing and new categories of protected areas, there is the additional CBD commitment that the PAs be properly organized into a Protected Areas System Plan (PASP). This will list all the PAs and outline their specific conservation purpose and role within the set of Seychelles ecosystems which require conservation management.

The PA designates the MEECC as the high policy body with the overall responsibility for the network of marine and coastal protected area. The MEECC is responsible for the overall PAS of which the marine and coastal protected areas network and its sites are part. All authorities and agencies which manage PAs will be regulated by specific legislation governing respective PAs. The DoE is responsible for overseeing the implementation of the legislation specific to protected areas at national level.

A National Advisory Committee on Protected Areas and Conservation is established under the 2013 PA policy; this committee will act as a coordinating body with the responsibility of integrating policy and program of implementation for the PAS which includes marine and terrestrial PAs and sites managed by other bodies. The committee will also have an advisory role, bringing together diverse expertise and user groups to share knowledge on the condition of existing sites, present and anticipated threats and potential new sites.

Under Commitment 12 of the 2013 PA Policy, the Government of Seychelles is “committed to support new initiatives to find sustainable financing for the protected areas system. This will include an examination of innovative revenue generation and incentives”.

⁶⁹ S.I. 41 and 42 of 1987

A Nature Protection and Conservation Act is currently being drafted in 2015 which will be based on the PA policy and cover all legal issues related to protected areas. Legislation related to species conservation outside of PAs are being brought together under a new Biodiversity Act, which will be drafted during 2015.

The 1994 Environment Protection Act (EPA)

The Environment Protection Act from 1994 relates to the protection, preservation and improvement of the environment and for the control of hazards to human beings, other living creatures, plants and property. It is the main legal framework for the environmental impact assessment process, the establishment of sensitive areas, coastal zone management, waste management standards and makes provision for prevention, control and abatement of environmental pollution. The EPA is under review and will be replaced by a revised Environment Protection Act in 2015. The DoE administers the Act, and co-ordinates the activities of other agencies concerned with the protection of the environment.

The Marine Spatial Planning (MSP) Initiative⁷⁰

The Seychelles Marine Spatial Planning (MSP) Initiative is a process focused on planning for and management of the sustainable and long-term use and health of the 1,374,000 km² EEZ encompassing the countries' 115 islands. This initiative is a Government-led process, with planning and facilitation of the initiative managed by a partnership between The Nature Conservancy (TNC) and the Programme Coordinating Unit of the Government of Seychelles-UNDP-GEF programme in Seychelles (PCU).

Funding for the Initiative is being provided through the Government of Seychelles/UNDP/GEF PA project (analysis of conservation priorities and thus priorities for expanding the PA system) as well as an Oceans 5 grant awarded to TNC.⁷¹

The MSP Initiative takes an integrated, multi-sector approach. The process will include input from the major sectors of the Seychelles which use the country's marine space such as fishing, tourism, conservation and petroleum development in order to develop a holistic climate-smart multi-use plan, integrating the new challenges created by climate change into planning and management efforts.

Seychelles' National Biodiversity Strategy and Action Plan 2015-2020

An updated National Biodiversity Strategy and Action Plan 2015-2020 (NBSAP-2) has been prepared through an extended process of stakeholder consultation and approval undertaken during 2013 and 2014. Funding was provided by GEF through UNDP and technical support from the NBSAP Forum.⁷² The new NBSAP incorporates peer review comments on an earlier version and has been completed to an Aichi-alignment.⁷³ The document is being finalized and will thereafter enter the formal approval process.

⁷⁰ <http://www.seychellesmarinespatialplanning.com/>

⁷¹ <http://oceans5.org/>

⁷² www.nbsapforum.net

⁷³ <https://www.cbd.int/nbsap/training/quick-guides/>

Seychelles' Sustainable Development Strategy 2012-2020⁷⁴

The Seychelles Sustainable Development Strategy (SSDS) 2012-2020 builds on two previous Environmental Management Plans for Seychelles (EMPSs) and is a national instrument to ensure that the needs of present and future generations are met. It sets the plan for the implementation of priorities for the Government of Seychelles, the private sector and the public at large. The ultimate objective is to improve sustainable development management in Seychelles in line with the Agenda 21. In terms of PAs, the SSDS mentions that “the sustainable management of protected areas, both terrestrial and coastal/marine, will remain a challenge in view of stakeholder expectations and problems of access to resources involved. It is however expected that the area of protected areas will increase”. Among the trends welcomed by the SSD is the “Improved management and financial sustainability of protected areas”.

The Blue economy in Seychelles

The blue economy is a concept which Seychelles has been actively promoting on the international scene, including at the Rio 2012 Summit on Sustainable Development, at the Blue Economy Summit held in Abu Dhabi in January 2014 and at the recent Small Island Developing States (SIDS) conference in Samoa, end of 2014.⁷⁵

A national stakeholders' forum took place in December 2014 to engage the various sectors directly involved in developing the blue economy, and provide the opportunity to give their inputs and contribute ideas on how to better develop this concept.

On January 26, 2015, the Government of Seychelles was restructured with a new Ministry of Finance, Trade and the Blue Economy (MFTBE), bringing this concept to the forefront of economic development.

The pursuit of the blue economy process involves the development and implementation of a comprehensive strategic plan for its entire territory, and the creation of one of the largest marine reserves in the region. While currently, only around 1% of Seychelles' waters are protected as marine national parks, this percentage could increase up to 15%, pending on the finalization of the plan. The Blue Economy Strategic Plan will be in line with the MSP to protect sustainable artisanal fisheries and create specific zones for exploitative activities, such a commercial tuna fishing and oil exploration and exploitation.

The Public Finance Management Act

In November 2008, the Ministry of Finance, with the assistance of the International Monetary Fund (IMF), embarked on a series of major macroeconomic and structural reforms and produced a Memorandum of Economic and Financial Policies (MEFP) 2009-2012, which addressed public debt restructuring. The Government of Seychelles is also pushing ahead with its Public Finance Management reforms to improve areas such as budget preparations, accounting procedures and budget executions. The Public Finance Management Act was approved by the National Assembly in November 2012. The main elements of the Public Finance Management reform include:

⁷⁴ <http://www.emps.sc/>

⁷⁵ <http://www.sids2014.org/>

- Introduction of a new Chart of Accounts which will allow for facilitated analysis of expenditure and budget preparation;
- The Public Sector Investment Program (PSIP) framework which maps capital expenditure projects over five years and will form the basis for the National Development Plan;
- A Government Audit Committee will be appointed which will act in an advisory capacity to the Minister of Finance, Trade and Investment;

The Government is also piloting Program Performance based Budgeting and Plan with two ministries: the Ministry of Education and the Ministry of Natural Resources and Industry. The Public Sector Investment Program and the Program Performance Based Budgeting approach would be an important instrument for the mobilization of internal source of financing for biodiversity conservation and sustainable use.

Public-Private Partnership and the Investment Act

Today, the Investment Act gives the Seychelles Investment Bureau (SIB) the leverage to attract foreign investors and promote Public-Private Partnerships (PPPs). SIB acts as a coordinator and facilitator between the public and the private sectors in the assessment of investments, their implementation and monitoring. However, a PPP framework is missing, and with the support of the AfDB, the country is currently strengthening its legal environment to better promote PPP, including to facilitate PA co-financing by the private sector.

Annex 7: Social and Environmental Screening - SESP

--- See [separate file](#)---

Annex 8: Proposals by Pre-approved and Candidate Responsible Parties

Overview of proposals contained and amounts requested*	Sum of Proposed Retained Estimated Cost (USD)
1) MCSS: Temporal Protected Areas on Inner Islands (Activity 1.3.4)	85,895
2) SNPA: Priorities for new cost-effective infrastructures, practices, systems and schemes - Proposal for refining and further consideration by SNPA (Output 2.2 SNPA, Activities 1 through 9) ⁷⁶	515,000
3) SNPA-ICS: Improving financing strategies to boost PA management via an integrated approach on Silhouette Island National and Marine Parks in Recif Island Special Nature Reserve (Activity 2.2.10)	200,000
4) NS: Proof of Concept: Sustainable Funding through a Voluntourism Program for Conservation in Seychelles (Activity 2.2.12)	275,000
4) SIF: Development, production and commissioning of a world class exhibition space for the Aldabra House visitor centre on Mahé, Seychelles (Activity 2.2.11)	350,000
6) GIF: Financing Protected Area management on private islands (Activity 2.2.13)	75,000
7) DoE: Improve Communication and management effectiveness; enhance and restore existing habitats and eradication of rabbits (Activity 2.2.14)	20,000
8) TNC: Operationalizing the Seychelles Conservation and Climate Adaptation Trust (SeyCCAT) (Activities 2.3.1 and 2.3.2)	134,000
Grand Total	1,654,895

--- See [separate file](#)---

* Full list of responsible parties is be soon more closely defined on the basis of rules, procedures and due diligence on candidate responsible parties and proposals made.

⁷⁶ The amount excludes Technical Assistance provided through the PCU and Strategic Consultancies.

Annex 9: Technical Reports from PPG phase

- 1) **Biodiversity offsets**
by Mr Routier (Jan 2015)
- 2) **Payments for ecosystem services**
by Mr Moran (Feb 2015)
- 3) **Baseline financial assessment of Seychelles' Protected Area System**
by Mr Barois (Feb 2015)

--- See [separate file](#)---