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**United Nations Development Programme
Project Document for nationally implemented projects
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Project title: Strengthening the Palau National Marine Sanctuary for the Conservation and Management of Global Marine Biodiversity and Sustainable Fisheries		
Country: Republic of Palau	Implementing Partner (GEF Executing Entity): Palau International Coral Reef Center	Execution Modality: NIM Modality
Contributing Outcome (UNDAF/CPD, RPD, GPD): UNDAF/Country Program Outcome: Environmental Sustainability. UNDP Strategic Plan Output: Output 1.3 Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste.		
UNDP Social and Environmental Screening Category: Moderate	UNDP Gender Marker: 2	
Atlas Award ID: 00119066	Atlas Project/Output ID: 00115622	
UNDP-GEF PIMS ID number: 6418	GEF Project ID number:	
LPAC meeting date: 4 Dec 2019		
Latest possible date to submit to GEF: April 2020		
Latest possible CEO endorsement date:		
Planned start date: September 2021	Planned end date: September 2025	
Expected date of Mid-Term Review : July 2023	Expected date of Terminal evaluation : June 2025	
Brief project description: In 2015, Palau signed into law a National Marine Sanctuary (PNMS) and a Domestic Fishing Zone (DFZ). The PNMS aims to protect renewable and sustainable living marine resources which provide direct value and revenue to Palau while representing important global biodiversity. The DFZ will provide long-term food security within Palau and protect important goods and services, increasing livelihoods and reducing pressure on reef fisheries. Furthermore, the presence of a 500,000 sq. km. sanctuary provides a replenishment zone for pelagic fish stocks and bycatch species that are important to the entire region both as goods and services as well as contributing significantly to the functioning of the entire marine ecosystem. Since its declaration, a number of constraints and challenges hinder the full implementation of the PNMS and DFZ including institutional constraints, financial and economic challenges and some general governance and legal issues. The objective of the Project would be to strengthen and implement a Strategic Plan for sustainable management of the PNMS and DFZ. The project will build on the existing efforts of Palau to conserve its renewable natural resources while adding significantly to the global MPA estate and providing a protected migratory route for globally important fish stocks as well as other non-commercial species and bycatch (e.g. cetaceans, turtles, sharks, seabirds, etc.). Globally, the PNMS will make a valuable contribution to the SDG 14 targets. The recently emerging constraints arising from the COVID 19 global pandemic have been recognised		

and taken into account through the description of project activities and in the context of the impacts this may have on the Project both short-term and long-term		
FINANCING PLAN		
GEF Trust Fund	USD 1,826,484	
(1) Total Budget administered by UNDP	USD 1,826,484	
CONFIRMED CO-FINANCING (<i>all other co-financing that is not cash co-financing administered by UNDP</i>)		
Palau International Coral Research Centre	US\$ 2,000,000	
Ministry of Natural Resources, Environment and Fisheries	US\$ 150,000	
Ministry of Justice/ Department of Marine Law Enforcement	US\$ 10,000,000	
Palau Conservation Society	US\$ 100,000	
Global Oceans/Global Seamounts Project	US\$ 5,000,000	
(2) Total confirmed co-financing	US\$17,250,000	
(3) Grand-Total Project Financing (1)+ (2)	US\$ 19,076,484	
SIGNATURES		
Signature: print name below	Agreed by Government	Date/Month/Year: <i>within 25 days of GEF CEO endorsement</i>
Signature: print name below	Agreed by Implementing Partner	Date/Month/Year: <i>within 25 days of GEF CEO endorsement</i>
Signature: print name below	Agreed by UNDP	Date/Month/Year: <i>within 25 days of GEF CEO endorsement</i>
Key GEF Project Cycle Milestones:		
Project document signature: within 25 days of GEF CEO endorsement		
First disbursement date: within 40 days of GEF CEO endorsement		
Inception workshop date: within 60 days of GEF CEO endorsement		
Operational closure: within 3 months of posting of TE to UNDP ERC		
Financial closure: within 6 months of operational closure		

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I. Acronyms and Abbreviations

BMR	Bureau of Marine Resources
CB&T	Capacity Building and Training
CEO	Chief Executive Officer
CITES	Convention on the International Traded in Endangered Species
CPAP	Country Programme Action Plan
CSO	Civil Society Organisation(s)
DFZ	Domestic Fisheries Zone
DMLE	Division of Marine Law Enforcement
ERC	Evaluation Resources Centre of UNDP
FAD	Fish Aggregating Device
FAO	Food and Agricultural Organisation of the United Nations
FFA	Forum Fisheries Agency
GEF	Global Environment Facility
GRM	Grievance Response Mechanism
HRBA	Human Rights-Based Approach
ICES	International Council for the Exploration of the Sea
IEO	Independent Evaluation Office
IOC	Intergovernmental Oceanographic Commission
IUCN	International Union for the Conservation of Nature
IUU	Illegal, Unreported and/or Unregulated (fisheries)
IW: LEARN	International Waters: Learn Exchange and Resources Network of GEF
M&E	Monitoring and Evaluation
MCS	Monitoring, Control and Surveillance
METT	Management Effectiveness Tracking Tool
MNRET	Ministry of Natural Resource, Environment and Tourism of Palau
MoJ	Ministry of Justice of Palau
MoU	Memorandum(a) of Understanding
MPA	Marine Protected Area(s)
MTR	Mid-Term Review
NGO	Non-Governmental Organisation
NIM	National Implementation Modality
OAI	Office of Audit and Investigations of UNDP
OFF	Operational Focal Point of GEF
PAN	Protected Area Network
PICRC	Palau International Coral Reef Center
PICTs	Pacific Island Countries and Territories
PIR	Project Implementation Review
PNA	Partners to the Nauru Agreement
PNMS	Palau National Marine Sanctuary
PPEF	Pristine Paradise Environmental Fund
PSC	Project Steering Committee
PVA	Palau Visitor's Authority
ROAR	Results-Orientated Annual Reporting of UNDP
RTA	Regional Technical Advisor
SBBA	Standard Basic Assistance Agreement of UNDP
SDG	Sustainable Development Goals
SEP	Stakeholder Engagement Plan
SOPAC	South Pacific Applied Geoscience Commission
TE	Terminal Evaluation
UNCLOS	United Nations Convention on the Law of the Sea
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WCPFC	Western and Central Pacific Fisheries Convention
WDPA	World Database on Protected Areas

II. Development Challenge

Caring for the environment has long been an important part of Palau's culture. For centuries, traditional leaders on these Pacific Ocean islands have worked to protect local waters through enactment of a "bul"—a moratorium on catching key species or fishing on certain reefs to protect critical habitats while also protecting community food sources. Palau's underwater environment has commonly been referred to as one of the seven underwater wonders of the world as it boasts ecosystems of remarkable biodiversity¹. Fully protected marine areas are a critical tool for addressing challenges to ocean health. They provide a broad range of benefits by safeguarding biodiversity, protecting top predators, and maintaining ecosystem balance. Through the designation of the Palau National Marine Sanctuary, the country is establishing its entire ocean territory as a regenerative zone for sharks, whales, tuna, and countless other precious species. The PNMS will also bring benefits to neighboring Pacific ecosystems because healthy species migrate into nearby waters. Furthermore, highly protected areas have proved to be six times more resilient to the effects of climate change than unprotected areas (see

In October 2015, the President of Palau signed into law the Palau National Marine Sanctuary (PNMS) covering some 80% of the country's EEZ (Approximately 500,000 sq. km) with a complete ban on commercial fishing activities. A more recent 2019 senate bill made some amendments to the areas and regulations as well as the administrative and institutional arrangements. Alongside this PNMS, the other 20% of the EEZ (almost 100,000 sq. km) has been set aside as a domestic fishing zone primarily for the benefit of Palauans. These actions reflect the ancient local practice of *bul* whereby tribal chiefs placed areas off-limits to allow for restoration of living resources). To ensure the sustainability and feasibility of this undertaking, the Sanctuary designation allowed for a five-year period for commercial fishing to be reduced to zero, with a view to it being fully functional as a no-take zone by early 2020. The 80%-EEZ area will then be closed to all commercial fishing and other marine activities (e.g. oil drilling, deep sea mining). The Domestic Fishing Zone represents a smaller part of the EEZ where foreign fishing vessels will be strictly controlled, and catches will remain predominantly within the domestic market with some exportation allowed subject to associated taxation. The establishment of this large marine sanctuary has been a precedent-setting conservation measure that will contribute to local ecosystem health, migratory tuna stock health, and local and global food security. It is also economically prudent for Palau, where ecotourism revenues supported by the nation's extraordinary marine biodiversity, are significantly greater than the "negligible" fisheries license income.

The Sanctuary is home to nearly 800 recorded animal species, of which at least nine are endangered, including the critically endangered hawksbill and leatherback sea turtles. It is also home to manta rays, many species of seabirds, whales, sharks, billfishes, and tunas, all of great cultural and socioeconomic importance to Palauans and many of which have suffered and declined under previously uncontrolled and ineffectively managed fishing practices, primarily by Distant Water Fishing Nations. Given its vast extent, the PNMS encompasses entire home ranges of many of these species and protects essential habitats like seamounts and spawning aggregation sites that fulfill important ecological requirements. In addition to reducing pressure on fish stocks, the PNMS is expected to reduce mortality of seabirds, turtles, sharks, and billfishes that are currently caught as by-catch.

Decades of ecological research have shown that changes in predator abundance can have far-reaching consequences for ecosystem structure, functioning, and resilience. Predators help to maintain a balance among organisms, both by consuming prey and by altering prey behaviour and prey habitat selection. Unfortunately, human activities are causing the populations of many predatory species to decline worldwide. These declines may have significant consequences for communities. Generally speaking, across the western and central Pacific Ocean area, key indicators of the ecosystem show that: 1) the catch of bycatch species, such

¹ https://www.pewtrusts.org/-/media/assets/2017/07/palau_update2017_v6.pdf?la=en&hash=4743F4F5B5593533FA12DB9E24FAFAF1F598802F#:~:text=signed%20into%20law%20the%20Palau,or%20mining%2C%20can%20take%20place.

as sharks and billfish has increased; 2) the tuna fishery has expanded in recent decades; and 3) and consequently the diversity and biomass of groups in the higher trophic levels have diminished. The Outcome of modeling undertaken within the South Pacific Community's fisheries department² showed that the structure of the warm pool ecosystem in this region is resistant to considerable perturbation (e.g. large changes in the harvest of the surface fish community) but that this intrinsic resistance of the ecosystem to perturbation appears to be related to the high diversity of predators in the food web that consume a wide range of prey. Some of the predicted changes in the overall structure of the ecosystem in this region in response to alterations in fishing effort are expected, as a direct result of fishing but also as result of indirect effects from changes in the biomass of predator in relation to prey groups³ (Allain et al. 2012). It is also important to note that over-fishing of main target species such as tuna and bill-fish will cause fishing effort to focus more on reef fish already in decline putting pressure on high-biodiversity reef systems. This is already becoming a serious issue throughout the South Pacific SIDS. The critical importance of providing protection to these top predators and the associated bycatch in the fisheries in order to sustain biodiversity and the various complex ecosystem interactions is thus apparent.

Since its declaration, and despite some notable progress particularly in the field of compliance and enforcement, a number of constraints and challenges are still hindering the full implementation of the Palau National Marine Sanctuary and the Domestic Fisheries Zone. These can be identified as institutional constraints and financial/economic challenges as well as some general governance challenges and legal hurdles. In the absence of a functional institutional structure and management process, the PNMS risks becoming a 'paper-park' and meanwhile continues to fall under political pressure from outside foreign fishing interest and internal 'individual' interests. In this context, the PNMS is in urgent need of a stable institutional and political platform from which to operate and this, in turn, needs support from sufficient capacity to confirm the renewal value of the goods and services within this ecosystem and an associated programme of monitoring of its well-being.

Palau is heavily dependent on tourism, which contributed 54% of its GDP in 2015. Diving generates about \$90 million a year for the economy, an amount equal to about 40 percent of Palau's gross domestic product.⁴ A small amount of commercial fishing also occurs in Palau, but the majority of the profits from it do not stay in the country. The officially-recognised figures for 2014 identified a fisheries contribution to GDP of USD 5.5 million or 2.2 percent of GDP. Unpublished data from Palau's Bureau of Oceanic Fisheries Management indicates that, in 2014, USD 3.6 million was received by the Palau government as access fees for foreign fishing in Palau waters. This represents about 3.3 percent of all government revenue. According to the World Bank, the GDP of Palau in 2017 was US\$ 292 million. Of this, agriculture, forestry and fisheries contributed just over 3% and even at its highest level of contribution to the GDP over the last 20 years the combined contribution of agriculture, forestry and fisheries has never risen above 4.22% (2006)⁵. FAO reports that fisheries contribution to GDP in 2014 was recorded as USD 5.5 million, 2.2 percent of the national GDP⁶.

Palau recognises the importance of high-quality ecotourism to its economy, the global significance of its near-pristine reefs and associated biological communities and species, the value of promoting conservation throughout its EEZ, the need to better understand the overall connectivity across its entire jurisdictional waters, and the importance of maintaining access to healthy nearshore and offshore fisheries for its own people.

² • Allain, V., Griffiths, S., Bell, J. and S. Nicol. 2015. Monitoring the pelagic ecosystem effects of different levels of fishing effort on the western Pacific Ocean warm pool. Issue-specific national report. Oceanic Fisheries Programme, Secretariat of the Pacific Community, Nouméa, New Caledonia.

³ Allain, V., Fernandez, E., Hoyle, S. D., Caillot, S., Jurado-Molina, J., Andréfouët, S., & Nicol, S. J. (2012). Interaction between coastal and oceanic ecosystems of the Western and Central Pacific Ocean through predator-prey relationship studies. PLoS ONE, 7(5), e36701.)

⁴ Gabriel M.S. Vianna et al., "Wanted Dead or Alive? The Relative Value of Reef Sharks as a Fishery and an Ecotourism Asset in Palau," Australian Institute of Marine Science and University of Western Australia (2010), http://www.pewtrusts.org/~media/Assets/2011/05/02/Palau_Shark_Tourism.pdf

⁵ <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=PW>

⁶ <http://www.fao.org/fishery/facp/PLW/en>

An independent, external ‘scoping exercise’ to review the constraints to effective management of the newly-declared PNMS was undertaken in early 2019. The report from this exercise found that the current baselines that need to be addressed/strengthened and the associated constraints and challenges can be categorised as A. Institutional and Management, B. Financial and Socio-Economic, and C. Legal and Jurisdictional.

Institutional and Management Baseline

The Institutional arrangements for the PNMS Office and associated Committees have been identified within an original national Executive Order⁷. Through that Executive Order, the PNMS Office sat under the Office of the President while maintaining a physical presence in the Bureau of Maritime Law. The Office runs primarily on Grant Money with some funding from the Pristine Paradise Environment Fund – PPEF (see **Financial and Economic Baseline** below). The Executive Order defines the staff complement for the Office and their primary functions. It also establishes an Executive Committee composed of seven members. These are the Executive Director of the PNMS Office and six other members representing the six main Components of the PNMS Strategic Plan as follows:

Representative Members	Strategic Plan Component
Ministry of Community and Cultural Affairs or the Ministry of Education	1: Education and Awareness
The Minister of Justice	2: Surveillance and Enforcement
Minister of Natural Resources, Environment and Fisheries	3: Domestic Fisheries
CEO of the Palau International Coral Reef Center	4: Science and Monitoring
Minister of Finance	5: Sustainable Financing
Managing Director of the Palau Visitors Authority	6: Tourism and Marketing

The Executive Order outlines the duties and functions of the Executive Committee and further establishes Sub-Committees whose focus is to develop and implement the six components of the Strategic Plan under the supervision and direction of the Executive Committee member responsible for those six components. *Ad Hoc* Committees may also be established by the President and the Executive Committee as required.

In June 2019, the President of the Republic of Palau signed into law a new Senate Bill⁸ which places the responsibility for administration of the PNMS under the Palau International Coral Reef Center (PICRC). The new law further tasks the Ministry of Justice with the responsibility for surveillance of Palau’s maritime jurisdiction and the enforcement of the PNMS and Domestic Fishing Zone.

Institutional and Management Constraints and Challenges

The main constraints and challenges centre on staff and institutional capacity, lack of a formal institutional base, inadequately defined mandates and responsibilities, and absence of a formally-agreed strategy and work-plan for effective management of the PNMS. Despite the provisions of the Executive Order defining the functions and roles for staff within the PNMS Office, the staff quota is still incomplete and there is a serious shortage of trained and skilled technical staff to manage the PNMS. The PNMS Office lacks skilled technical staff with any long-term experience in ocean management and governance issues, fisheries or protected areas management. This shortage of appropriate personnel and related technical experience represents a significant constraint to moving forward with the overall objectives and for delivering on the Strategic Plan and its targets. Currently there is no specific programme within the PNMS for capacity building and training (although a PNMS draft 5-year Strategic Plan recognises the need for such a programme).

⁷ Executive Order 395 ‘Restructuring the PNMS Office and the PNMS Executive Committee to Strengthen Implementation of the Palau National Marine Sanctuary’ March 2017

⁸ Senate Bill No. 10-157, SD1, HD1

The existing 5-Year Strategic Plan was drafted in 2017 but has yet to be adopted by the PNMS Executive Committee and by the Government. In its present form, It provides a reasonable basic foundational framework, but it would benefit from expansion and further development, especially in the context of a detailed Results Framework with SMART targets and indicators (Specific, Measurable, Achievable, Relevant and Time-based) that relate to a specific timeline for delivery. The Strategic Objectives also need strengthening although its management goals are basically sound.

One other clear constraint to active management of the PNMS arising in the draft 5-Year Plan is that *“overall ocean management is weakened because efforts are not fully integrated nor are they sufficiently coordinated to produce optimal results”*. This seems to be an ongoing concern in relation to the management needs and institutional arrangements/interactions within the PNMS management structure. The new law does, however, open the way for addressing some of these issues with the allocation of responsibilities under PICRC and the Ministry of Justice. Some of the specific main constraints that relate to the mandates and functioning at the institutional and management level include:

1. Education and Awareness

There is little overall awareness of the purpose of the PNMS or of the Office and associated Committees outside of those immediate government bodies that are involved in the management processes. Although the outreach to schools has been both consistent and valuable, there is a more urgent need for outreach to the community as a whole. There are no outreach or communication programmes to target the communities and general population.

2. Surveillance and Enforcement

Monitoring, control and surveillance of Palau’s waters falls under the Division of Marine Law Enforcement within the Ministry of Justice. This includes Response, Seizure, Arrest, and Investigation for Prosecution of Illegal Fishing and Activities within Palau’s Waters; Enforcement of ROP National Laws and International Treaties between Member Nations; and Search & Rescue Missions. This component of the draft Strategic Plan is more advanced than the others. A number of assets (sea-going and aerial) are being employed to efficiently monitor this vast area. Japan (through the Nippon Foundation) has provided several Patrol vessels along with the necessary fuel supplies to keep these active for at least 10 years. Consequently, MCS and Enforcement capability at sea currently includes 1 x 30-metre offshore patrol boat (H.J. Remelik) and three 15-metre nearshore patrol boats. Palau also has agreements with Australia, Japan and New Zealand for joint activities and surveillance. Furthermore, under the Pacific Maritime Security Program, Australia will provide Palau with a new 40 m patrol boat to replace Remelik which will enable the conduct of boarding operations in at least sea state 4. Australia has further brokered air support, specifically surveillance planes, and has also organised joint exercises in Palau with other PICTs such as the Federated States of Micronesia.

Palau also has access to state-of-the art satellite technology for surveillance purposes. In 2018, at the Bali ‘Our Oceans’ Conference, Palau announced a new partnership with Vulcan Inc. brokered through Oceans 5. Vulcan’s Skylight technology uses machine learning, big data analytics, and satellite technology to discover suspicious activity, particularly rendezvous and ‘dark’ vessels at sea and provide actionable information to customers. If the system detects any suspicious activities such as Illegal, Unreported and Unregulated (IUU) fishing activities, the Vulcan Operation Center in Seattle immediately informs the Bureau of Marine Resources (BMR) at the Ministry of Natural Resource, Environment and Tourism (MNRET) who, in turn, forward the information to (DMLE) at the Ministry of Justice for appropriate action. More information on the Skylight technology can be found at <https://www.skylight.global/> .

In order to service and administer all of this potential for effective MCS, . A potentially-functional Operations Room has been provided within the new building for the Division of Marine Law Enforcement (Ministry of Justice) that has been funded by the Nippon Foundation. This has all the required space and much of the

communications equipment, including direct links to the Surveillance Room at FFA, Honiara. However, it is unmanned at present due to lack of capacity and training and it also needs further equipment to become fully functional. This is a significant constraint to ensuring effective MCS of fisheries and other illegal activities in the large EEZ as well as in trying to fulfil search-and-rescue responsibilities. The manning and equipping of this Operation Center is now one of the highest priorities for effective management of the Sanctuary.

3. Domestic Fisheries and Food Security

This is another high priority for PNMS. Historically, the majority of boats given fishing licences within Palau's waters never land those fish in Palau itself but offload their catches elsewhere or tranship them. In the case of two tuna fishing companies that have offloaded in Palau in the past, this is only in order to quickly process and refrigerate the high-quality fish and then export them out to their end-markets in Asia. Generally, reef fishing is under pressure (through over-fishing, habitat loss, etc.) and catches are falling. Therefore, there is a need to land more pelagic fish and get them into the domestic markets. Currently, there is no formal association of fishers to represent local fishing interests. Sports fishing is also a potentially lucrative revenue-earner and source of livelihoods that is conducive with Palau's move toward High-end Tourism, but good sports fishing vessels are expensive, and loans/incentives would be required to promote this.

A road-map/workplan for the development of the domestic fishery is now an important and urgent requirement, along with a clear demonstration of how this will benefit the people of Palau in the long-term. There is a need to elaborate what the domestic fishing industry would/should look like in order to meet market demands and livelihoods as well as food security.

4. Science and Monitoring

PICRC is the Lead Agency for Science and Monitoring of the marine environment around Palau and is already developing a Science and Monitoring Plan for nearshore waters and coastal ecosystems. The new law that passed senate in 2019 will allow PICRC to extend its role and remit to support the PNMS. Nevertheless, PICRC does not currently have the skill-set or expertise to address the offshore (PNMS) ocean environment/ecosystem. There will need to be appropriate capacity building and training with long-term mentoring. As well as standard physical and chemical oceanographic data capture and analysis, it will be important to understand what is happening with the pelagic fish stocks in the PNMS as this is, after all, one of the overarching reasons for the Sanctuary – to conserve and replenish. This is resource-demanding and may require tagging, multibeam scanning, capturing data on nursery habitats and connectivity, etc. Partnerships will be crucial. Furthermore, defining 'Connectivity' between the PNMS and both the inshore/coastal waters and the adjacent high seas will be important to establish and monitor the significance of the Sanctuary to both Palau and to the international fishing community, noting how important such connectivity may be for both commercial and non-commercial breeding and migratory species. This is essential to demonstrate the linkages into the PAN and to further strengthen the importance of PNMS to the States and to tourism. In this context it is important to note that some highly migratory species which the PNMS would aim to protect may, in the course of their migration and lifecycles, fall within areas and networks that come under the jurisdiction and control of state governments. This is another reason why there needs to be close coordination and collaboration between the national level PNMS and DFZ activities and the implications at the state level.

One other very important aspect of the entire process would be identifying an Adaptive Management structure and strategy that can feed scientific data and other important knowledge into a management system which reviews it for its trends, changes and importance and recommends management actions that should be taken. All of this needs to be the subject of a Science, Monitoring and Management Review as early as possible so as to better understand the cost and capacity implications and to identify the appropriate and willing partners

5. Sustainable Financing

The PNMS also receives 10% of all Pristine Paradise Environmental Fees (PPEF) that every tourist and visitor pays on entry into Palau. This Fee is currently \$100 and amounts then to \$1 million for every 100,000 tourists.

There is a special financial arrangement for supporting the Protected Areas Network generally in Palau called the Pan Fund. Inputs to the PAN Fund include a donation of \$10 million from the Micronesia Challenge (which realises a dividend of approximately \$500,000 p.a.) but this funding is not currently accessible to PNMS. The Micronesia Conservation Trust also donated \$435,362 in 2017 and \$461,734 in 2018 but this goes directly to support related government operations and not into PAN Fund or PNMS.

A broad (and unconfirmed) assessment of the various sources of revenue available for supporting the PNMS as of 2019 and moving forward would appear at least to potentially include:

- Paradise Palau Environment Fund: \$10 out of every \$100 collected from each visitor. The 2018 figures for tourism were approximately 110,000 which provided an input of approximately \$1.1 million. This is expected to rise with the increased number of airlines and subsequent rise in tourist numbers.
- As of June 2019, the new law allocates \$5 out of every \$100 collected by the PPEF to PICRC to assist in its administrative and institutional role.
- The \$1 Million set aside to create the PNMS Endowment Fund
- Donations/promised from other countries:

N.B. Since the Project went through its development and validation stage, the world has been confronted with a global pandemic which is severely limiting travel and placing massive constraints on global tourism. It is unknown and unpredictable as to when travel restrictions will be eased global and indeed, lifted by Palau. Inevitably, this will affect the expected sustainable financing income from the PPEF estimated to be \$1.1 million per annum (approximately) as well as the additional \$550,000 allocated specifically to PICRC. It is to be hoped that this loss is only a temporary one and that, during the lifetime of the Project (which is expected to extend to at least 2024-5) that relatively normal tourist numbers will return. However, many of the world's SIDS that depend on tourism for a substantial part of their revenues are likely to be affected by this scenario (to a greater or lesser extent) and this PNMS project will, as with other projects, need to keep a close eye on adaptive management requirements relating to the development and confirmation of long-term sustainable funding. It is reasonable to expect that the country will open up to tourism again within the next 12-18 months which will be within the first year of this four-year project. This should allow ample time for the project to negotiate and identify a long-term funding mechanism.

In February 2018, the Nippon Foundation and Sasakawa Peace Foundation handed over a \$70 Million Donation package. The donation included a 3-story office building for the Division of Marine Law Enforcement (DMLE), a 40-meter patrol boat, a new patrol boat berth, three 15-meter patrol boats, one 12.5-meter (rubber dingy) rescue boat with twin 200 horsepower outboard motors, one pickup truck, 6-month training in Japan for ten patrol boat crew, salary for patrol boat crew for ten years and fuel for the patrol boats for ten years.

In order to ensure long-term financial sustainability, it would now be prudent to complete a full update of needs (based on proposed institutional changes) and sources of revenue (see **Financial and Economic Status - Observations and Recommendations** above)

One possible source of additional revenue might be through the negotiation of a debt-for-nature swap. Through this process an outstanding debt by Palau may be purchased from the creditor (lending bank) by a funder/donor at a discounted rate considerably below the face value. The creditor is prepared to do this as the overall debt is then settled early. The 'cancelled' debt note is then presented to the debtor government (Palau) on agreed terms, those terms being the government now spends the money that it would have needed to service the debt (minus the discounted 'early payment' terms) on agreed activities related to conservation and environmental programmes and institutions. This has the following benefits for each party:

Debtor: reduces its total outstanding external debt. The debtor country is able to buy back part of its debt in more favourable terms and pay for conservation initiatives rather than debt service.

Creditor: a method to rid themselves of high-risk claims. By selling the debt claim, they can re-invest the proceeds from the sale in higher-performing ventures. Creditors faced with low-performance loans may also seek to limit their exposure, that is, to avoid further lending to debtor countries until their loans are serviced

Conservation Organisations: Debt-for-nature agreements are a long-term source of funding for conservation initiatives, so both international organizations acting as donors and local organizations using funds are able to further their goals of conservation. The donor organizations also purchase the debt at a value below its face value and usually redeem it above its market value. In this way, swaps are thought to generate conservation funds at a discount.

6. Tourism and Marketing

Palau is encouraging the development of high-end, free, independent-income tourism and is looking at ways to enhance promotion of PNMS as part of the destination profile. Tourist figures have fluctuated over the last decade (with a downward trend in actual number in 2018 versus 2017) yet it is important for Palau to realise that it is not the numbers of tourists that are important but how much revenue they bring in and how much negative impact they create. Low-value/high impact package tourism whereby most of the tourism revenue remains offshore with foreign institutions is undesirable for Palau, whereas High-Value tourism with more revenue coming into Palau but less impact is clearly the way for Palau to move forward in promoting a blue economy approach. The PNMS and “Pristine Paradise Palau” branding (amongst other policy and regulatory efforts to limit package tours and foreign ownership) are all part of an effort to target the high-value visitors that Palau needs and prefers. Nevertheless, all tourism needs to have a defined carrying capacity to avoid the build-up of unwanted stresses and overload on national infrastructure as well as to prevent chronic impacts on the environment which is the foundation for the ecotourism on which Palau depends. In view of the changes taking place in relation to the PNMS and Domestic Fishing Zone and the need to rationalise sustainable funding alongside sustainable livelihoods related to both PNMS and PAN, it would be appropriate and a priority to revisit the tourism strategy for Palau so as to both set a limit based on carrying capacity and to monitor this for accuracy and effectiveness.

Financial and Socio-Economic Baseline

Palau has taken on a pivotal yet exacting role in the Pacific in leading the way on conservation and protection of fisheries. This is empowering other countries to consider similar tactics (although different countries have different needs and approaches. There is a lingering misperception that the decision by Palau to create a massive no-take zone in its EEZ could lead to a significant loss of revenues from taxes, salaries and registration of vessels. Yet it has been shown that fisheries represents a very limited source of revenue from fishing licences and from existing tax levels (e.g. 35 cents per kilo on fish that can then sell for around \$50 per kilo) and was estimated to bring in only around \$1.5 to \$1.7 million in 2017. This compares to figures showing an income from tourism which is 30 times greater than this and which has been proven to be directly related to tourist’s wishes to visit a pristine, conservation-based destination which promotes sustainable ecotourism over the exploitative extraction of natural resources

Palau is heavily dependent on tourism, which contributed 54% of its GDP in 2015. A small amount of commercial fishing also occurs in Palau, but the majority of the profits from it do not stay in the country⁹. Diving generates about \$90 million a year for the economy, an amount equal to about 40 percent of Palau’s gross domestic

⁹ <http://sydney.edu.au/environment-institute/blog/marine-conservation-as-economic-policy-in-palau/> Accessed 17th February 2019

product.¹⁰ The officially-recognised figures for 2014 identified a fisheries contribution to GDP of USD 5.5 million or 2.2 percent of GDP. Unpublished data from Palau's Bureau of Oceanic Fisheries Management indicates that in 2014 USD 3.6 million was received by the Palau government as access fees for foreign fishing in Palau waters. This represents about 3.3 percent of all government revenue. According to the World Bank, the GDP of Palau in 2017 was US\$ 292 million. Of this, agriculture, forestry and fisheries contributed just over 3% and even at its highest level of contribution to the GDP over the last 20 years the combined contribution of agriculture, forestry and fisheries has never risen above 4.22% (2006)¹¹. FAO reports that fisheries contribution to GDP in 2014 was recorded as USD 5.5 million, 2.2 percent of the national GDP¹².

Palau needs to focus on the future needs of the general population and communities of which ultimately depend on a healthy and vibrant ecosystem and environment for their well-being, food security and livelihoods. In this context it is important that any benefits arising from the PNMS and DFZ are seen to filter out to the community and to the state government level.

Domestic based foreign fishing vessels have historically only brought in somewhere between \$1.3- \$1.7 million in revenues. The PPEF had already brought in some \$1.2 million alone in first year. Considerably more comes from general tourism which is firmly based on Palau's reputation for conservation and sustainable use of the oceans. This also has to be considered further in the light of peer-reviewed scientific evidence that show that tuna stocks are moving away from the western part of the WCPF Convention area and migrating eastward as a result of climate change and consequent changes in oceanographic parameters throughout the entire South Pacific. This means that there will probably be less tuna available for the foreign fleets to capture in any case.

Financial and Socio-Economic Constraints and Challenges

There exists a lot of uncertainty and disagreement about what funding and revenues specifically support PNMS. Furthermore, there is a misconception that Palau will lose revenue by closing the bulk of the EEZ to foreign fishing fleets while concentrating on conservation and management of fish-stocks and the entire ecosystem. In essence, there is NO real loss of money from closing down foreign access to fisheries and this can be simply proven if a basic review of revenue sources were undertaken. Unfortunately, there is limited staff capacity allocated to PNMS to undertake such important studies and research on ecosystem values and cost-benefits. It is clear, however, that the prospects for the long-term expectation of growing revenues from ecotourism and water sports as a renewable source of revenues are very positive and would almost certainly override any losses from commercial fishing revenues by at least an order of magnitude.

Nevertheless, Palau needs to define the carrying capacity of tourists it wishes to support and then maintain this capacity and not exceed it. This would include limiting developments to high-end, quality expansion only. If this does not always support the demand from tourists, then this will simply create a more exclusive and desirable tourist destination which will maintain and support the 'high-end only' tourism policy – a type of 'bucket-list' approach for which people would have to plan and save and thus enjoy the experience even more when they finally realise it. Also, the Palau government needs to strengthen the understanding of how important ecotourism is to all of its citizens as well as how urgent it is to ensure sustainability of its coastal and oceanic environment for this same reason. The absence of any detailed Communication and Awareness Plan focusing on outreach to all stakeholders and the community is a challenge in this context. These shortcomings would be well supported by a detailed assessment of the renewable value of the goods and services provided by the entire coastal and oceanic ecosystem of Palau along with a cost-benefit analysis of future ecotourism developments and strategies.

¹⁰ Gabriel M.S. Vianna et al., "Wanted Dead or Alive? The Relative Value of Reef Sharks as a Fishery and an Ecotourism Asset in Palau," Australian Institute of Marine Science and University of Western Australia (2010), http://www.pewtrusts.org/~media/Assets/2011/05/02/Palau_Shark_Tourism.pdf

¹¹ <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=PW>

¹² <http://www.fao.org/fishery/facp/PLW/en>

Palau is a party to the Nauru Agreement (PNA) whereby members are allocated vessel-days for purse-seining which they can sell to fishing fleets or trade with other parties¹³. Even if Palau closes 80% of its EEZ to foreign Fishing vessels, it should not be permitted to substantially suffer as a result of not using allocated Vessel-Days under the Partners to the Nauru Agreement and should still be able to sell these to other PNA countries once there is full closure of the Sanctuary. The current approximate income from these vessel days amounts to \$10 million per annum. Although the Vessel Days allocation is based on catch effort (which should decrease to nothing by 2020) it is also based on biomass within the EEZ which should increase significantly as a not-take zone. It would be both unreasonable and unfair for Palau to be penalised for adopting a replenishment zone that will support the interest of all of the PNA members. This should be the subject of future discussions with the PNA and with FFA.

The Domestic Fishery within the 20% zone needs to be more formally established and promoted whilst being given careful consideration as an important economic growth area and opportunity. There are valuable opportunities here to develop a pole-and-line fishery as used to exist in Palau as well as expanding the livelihoods and revenue from sport fishing.

As a result of the more recent threats posed by the COVID 19 pandemic, the project will need to closely scrutinise impacts and constraints arising from the need for social distancing, restricted travel and meetings and the requirement to follow government guidelines and UN advice on this situation in order to reduce health risk to project staff and partners as well as stakeholders. Fortunately, the project Validation Workshop was held successfully a few months prior to the COVID 19 outbreak becoming a pandemic and prevented any further meetings. Since then, the project has focused on any further discussions related to achieving endorsement by way of virtual interaction and via email. This will continue with any necessary adjustments being made as and when the newly approved vaccines become globally available.

C.1. Legal and Jurisdictional Baseline

Palau is making good progress with its monitoring, control and enforcement measures with the support of a number of international partners (see above under Institutional Baseline – Surveillance and Enforcement). The provision of patrol vessels and equipment along with the new building for the Division of Marine Law Enforcement (DMLE- Ministry of Justice) provides the potential for effective MCS. The further support from aerial and satellite surveillance measures along with the access to the monitoring and surveillance system and Surveillance Centre based in Honiara provides an excellent baseline and foundation within which the PNMS and the DMLE can collaborate more closely and strengthen their mutual capacities and partnership for effective interdiction and prosecution of IUU vessels and other illegal activities both within the Sanctuary area and the Domestic Fishing Zone, once the latter has been properly established within national regulations.

There is an uncertain future for Palau regarding its maritime boundaries, as indeed there is for many of the Pacific islands. Much of the EEZ is dependent on the justification provided by archipelagic baselines. There are international discussions underway to adopt some form of political recognition that established boundaries (as per UNCLOS) and associated adopted of baselines should be respected in perpetuity for those island groups threatened by the loss of their archipelagic-based EEZs to climate change (see ILA Resolution 5/2018). There are also ongoing Maritime Boundary disputes with both the Philippines and Indonesia that need resolving.

C.2. Legal and Jurisdictional Constraints and Challenges

Despite the aforementioned progress and promising future for effective surveillance and enforcement of the PNMS, the massive area encompassed within the Sanctuary still presents enormous challenges. The Operations Room and associated equipment and satellite linkages need to be made fully functional and manned on a 24-

¹³ <http://www.pnatuna.com/>

hour basis and the partnerships for MCS also need to be strengthened and agreements for cooperation extended. As an example of the concerns relating to jurisdictional boundaries and their confirmation, Helen Reef is an important archipelagic baseline for Palau that defines its maritime boundary with Indonesia (according to Palau, although Indonesia disputes this). The loss of Helen reef (which could be a very real possibility in the face of climate change and extreme weather such as typhoons) would reflect a loss of 140,000 sq.km of Palau EEZ to Philippines and/or the High Seas between them. Furthermore, how realistic is it to have declared a 500,000 sq.km Sanctuary when the boundary with Indonesia and Philippines is still under dispute, and can any interdiction of fishing vessels within the disputed zone be taken to full prosecution while this uncertainty exists?

In the context of the 20% Domestic Fisheries area, the exact activities allowed regarding domestic fishing efforts (commercial and subsistence/artisanal) and any potential future allowance for exportation still needs to be legally clarified to at least ensure protection for subsistence or commercial fishing by Palauans within this zone. The efficient management of licencing and taxation associated with exportation also needs to be addressed in order to balance the revenue needs of the country against the long-term management of renewable resources.

Amendments to the original laws governing the PNMS and the Domestic Fishing Zone

Since the original Concept for this GEF Project was submitted to UNDP, the Republic of Palau has passed a new Senate Bill adopting Amendments to the laws governing the PNMS and DFZ. Specifically, the new law makes two material edits to the original Act. 1. Within the Domestic Fishing Zone, some export of pelagic fish will be allowed, specifically those caught by long-line fishing vessels. Equally, importantly, this new bill incorporates new regulatory powers, while increasing the rate and expanding the scope of the Fish Export Tax so as to help maintain control over commercial fish exports. 2. The new law relocates the Domestic Fishing Zone to the western side of Palau which is an area of deeper waters that are more appropriate for fishing and will provide better overall protection for the environment. This will allow fishermen easy access to fishing within the high seas, as well as the Domestic Fishing Zone **without** having to enter or cross the PNMS. Enforcement will be much simpler for this reason.

Table 1: Causal Chain Analysis leading to Proposed Project Responses

THREAT	PREDICTED IMPACTS	ROOT CAUSES	BARRIERS OR DRIVERS	PROPOSED RESPONSE TO ROOT CAUSES & BARRIERS
Institutional and Management Challenges				
PNMS unable to effectively manage the MPA on a day-to-day basis	<p>Failure of PNMS as a Sanctuary/no-take zone</p> <p>Failure of support at both national and international level</p>	<ul style="list-style-type: none"> No previously established institutional base Lack of a formal Work-Plan Lack of strategies and work-plans for priority issues Inadequate performance monitoring PNMS Limited technical support or understanding of management mechanisms and functions 	<ul style="list-style-type: none"> Unreliable government support or funding Lack of political commitment to a strategy Lack of adequate knowledge or experience in large MPA management Insufficient staff Untrained staff No performance monitoring mechanism (e.g. results framework, targets, indicators) 	<p>Formal designation of an institutional base with appropriate support and adequate staffing</p> <p>Adopted Strategic Plan for PNMS with Results Framework for monitoring performance</p> <p>Strategies/Work-plans for priority issues</p> <p>Capture of experiences from other MPAs globally</p> <p>Technical capacity building and training</p>
Inability to respond to changes in ecosystem status through Adaptive Management	<p>Deterioration in functionality of PNMS as an MPA and No-Take Zone</p> <p>Loss of ecosystem goods and services</p> <p>Negative impacts on coastal ecosystems and community welfare</p>	<ul style="list-style-type: none"> Poor or absent baseline data from which to measure and monitor change Absence of a monitoring process for identifying changes in welfare of PNMS ecosystem 	<ul style="list-style-type: none"> Lack of adequate institutional capacity Absence of trained technical staff No monitoring mechanisms for 6 priority areas Lack of appropriate resources and technical equipment 	<p>Awareness raising of role of PNMS (communications strategy)</p> <p>Adoption of ecosystem monitoring targets and indicators and active ecosystem monitoring programme</p> <p>Partnerships/Alliances for scientific monitoring</p>
Financial and Socioeconomic Challenges				
PNMS is financial unstable and in risk of failure	<p>PNMS becomes unmanageable</p> <p>Continued/growing IUU and other illegal activities</p> <p>Insufficient infrastructure for effective search-and-rescue</p> <ul style="list-style-type: none"> Collapse in international support 	<ul style="list-style-type: none"> Inadequate long-term financial security Endowment Fund non-functional Diminishing contributions and support from donors 	<ul style="list-style-type: none"> Insufficient long-term planning and budgeting Insufficient political support Loss of trust from donors Need for more innovative funding mechanisms 	<p>Adoption of a Road-map and planning for sustainable funding</p> <p>Ecosystem goods and services assessment to define renewable values</p> <p>Ecotourism cost-benefit and carrying capacity analysis leading to adoption of a Strategy for a Blue Economy</p>
Loss of coastal and oceanic goods and services supporting tourism leading to	<p>Crash in GDP and standards of living</p> <p>Loss of renewable resources</p>	<ul style="list-style-type: none"> Increased pressure on goods and services from growing population Over-development of tourism sector Decline in coastal fishery as a food source 	<ul style="list-style-type: none"> Over-exploitation of coastal fishery resources versus offshore resources for local consumption Poor long-term development planning 	<p>Improved communication and awareness at all levels (national and international)</p>

THREAT	PREDICTED IMPACTS	ROOT CAUSES	BARRIERS OR DRIVERS	PROPOSED RESPONSE TO ROOT CAUSES & BARRIERS
dependence on other revenue sources	Increasing dependence on foreign fishing fleets and associated revenue		<ul style="list-style-type: none"> Lack of community awareness Absence of a 'blue-economy' based strategy focusing on high-end ecotourism 	Sustainable development and adaptive management of Domestic Fishery Zone primarily for local use
Renewed increase in fishing pressure in EEZ to boost national revenue	<p>Loss of effective control overfishing activities within EEZ</p> <p>Loss of an important fishery replenishment zone to international community (WCPFC)</p> <p>Loss of contribution to SDG 14</p> <p>Loss of global credibility from tourism sector and from donors</p>	<ul style="list-style-type: none"> Political pressure from within and outside Palau to re-open fishery PNMS not seen to be fully functional and effective 	<ul style="list-style-type: none"> Lack of community awareness Misconception regarding value of fishery versus value of ecosystem and ecotourism Pressure from few individuals who seek to gain at risk of national interest Pressure from international fishing community wanting access to Palau goods and services Inadequate funding and limited political will for a strong PNMS in the interest of all Palauans 	<p>Communications and Awareness Strategy targeting communities and States</p> <p>Strengthening of role and function of PNMS to comply with international treaties and conventions</p>
Legal and Jurisdictional Challenges				
IUU fishing and other illegal practices continue and escalate within Palau EEZ	<p>PNMS fails as a replenishment 'no-take' zone</p> <p>Increase in IUU in EEZ as lack of response is noted</p>	<ul style="list-style-type: none"> Inability to maintain effective MCS and interdiction within the EEZ/PNMS Lack of Prosecution of illegal fishing activities 	<ul style="list-style-type: none"> Inadequate response capacity Inability to process and react to information on potential IUU Unwillingness to prosecute Inability to effectively prosecute in some areas due to absence of formally agreed boundaries 	<p>Strengthen and support the MCS role of PNMS through closer interaction and institutional linkages with Ministry responsible for enforcement and compliance</p> <p>Sustainable development and adaptive management of Domestic Fishery Zone primarily for local use</p>
Inappropriate/illegal fishing and shipping/exportation practices develop in relation to the Domestic Fishing Zone	<p>DFZ fails in its purpose</p> <p>General 'free-for-all' and over-fishing</p> <p>Loss of renewable resources</p> <p>Loss of revenues</p>	<ul style="list-style-type: none"> Ambiguity and confusion regarding allowable fishing practices Inadequate monitoring of activities 	<ul style="list-style-type: none"> DFZ rules and regulations not formally adopted Absence of regular and effective monitoring and policing Poor community support and/or understanding 	<p>Improved monitoring of DFZ for illegal or irresponsible activities</p> <p>Improved monitoring of EEZ for IUU using international support and partnerships</p>
Reduction in size and effectiveness of the MPA due to loss of EEZ	<p>Loss of valuable ocean territory to Palau</p> <p>PNMS no longer enforceable</p> <p>PNMS no longer viable</p>	<ul style="list-style-type: none"> No formal agreement on EEZ boundaries between Palau and neighbouring countries Sea level rise and increases storm surges 	<ul style="list-style-type: none"> Lack of international agreement on EEZ boundaries to PNMS Unsecured low-lying islands 	<p>Improved communications and interactions with and support to local fishers</p> <p>Formally establish EEZ boundaries to the PNMS with neighbouring countries</p>

In order to respond to the root causes and barriers as proposed above and thereby address the threats and predicted impacts, the Project aims to deliver an end-of-project landscape that can be summarised as follows:

- PNMS fully functional under adaptive management
- Effective national MPA coverage significantly increased (500,000 sq.km.)
- PNMS financially sustainable
- Ocean ecosystem goods and services conserved and supporting blue economy
- Threat to fish stocks in EEZ removed
- IUU fishing eliminated throughout Palau waters
- Domestic Fishing Zone function effectively With clear access and management regulations
- EEZ formally agreed confirming extent of MPA

The following section describe the strategy that will be taken to achieve this through a Theory of Change that identifies the Components and intended Outcomes and Outputs that will deliver these changes.

III. Strategy

Palau does not currently have the skill-set or expertise to address the offshore (PNMS) ocean environment/ecosystem. There is a need for appropriate capacity building and training and associated long-term mentoring. This will need to be combined with appropriate support measures as such activities all have financial implications and could place a considerable strain on any identified or established national agency. As the agency newly mandated with the scientific studies and monitoring of the PNMS, PICRC will need outside assistance in the necessary oceanic data collection (research cruises, autonomous vehicles such as gliders, mooring systems for data collection, deployment of Argo floats, etc.). These are a costly and resource-demanding set of activities. This further highlights the need for partnerships (e.g. under an Alliance-for-Science or Palau Ocean Conservation Alliance) that will bring together international expertise and support. Palau also needs to focus on the future needs of the general population and communities which ultimately depend on a healthy and vibrant ecosystem and environment for their well-being, food security and livelihoods. In relation to this reality, it is imperative now that Palau gets its tourism policies and management right and ensures that it is sustainable as well as good for the country (environmentally, culturally and economically) or the risk will be that some elements of Palau society will want to revert to exploiting the valuable natural resources for livelihoods and revenue (i.e. commercial fishing), regardless of the fact that this would be a short-sighted and unrealistic route for Palau to follow and one which would actually benefit very few people.

The following Theory of Change builds on the Causal Chain Analysis provided in Table 1 above. In that context Table 2 below (How the Theory of Change and Associated Outcomes and Outputs address the Proposed Responses to the Root Causes and Barriers) provides the logic for progressing from the identified needs for response to root causes and barriers as defined by the Causal Chain Analysis to the Project Outputs as defined via the Theory of Change and thus' the end-of-project' landscape.

Figure 1: Theory of Change – Page 1

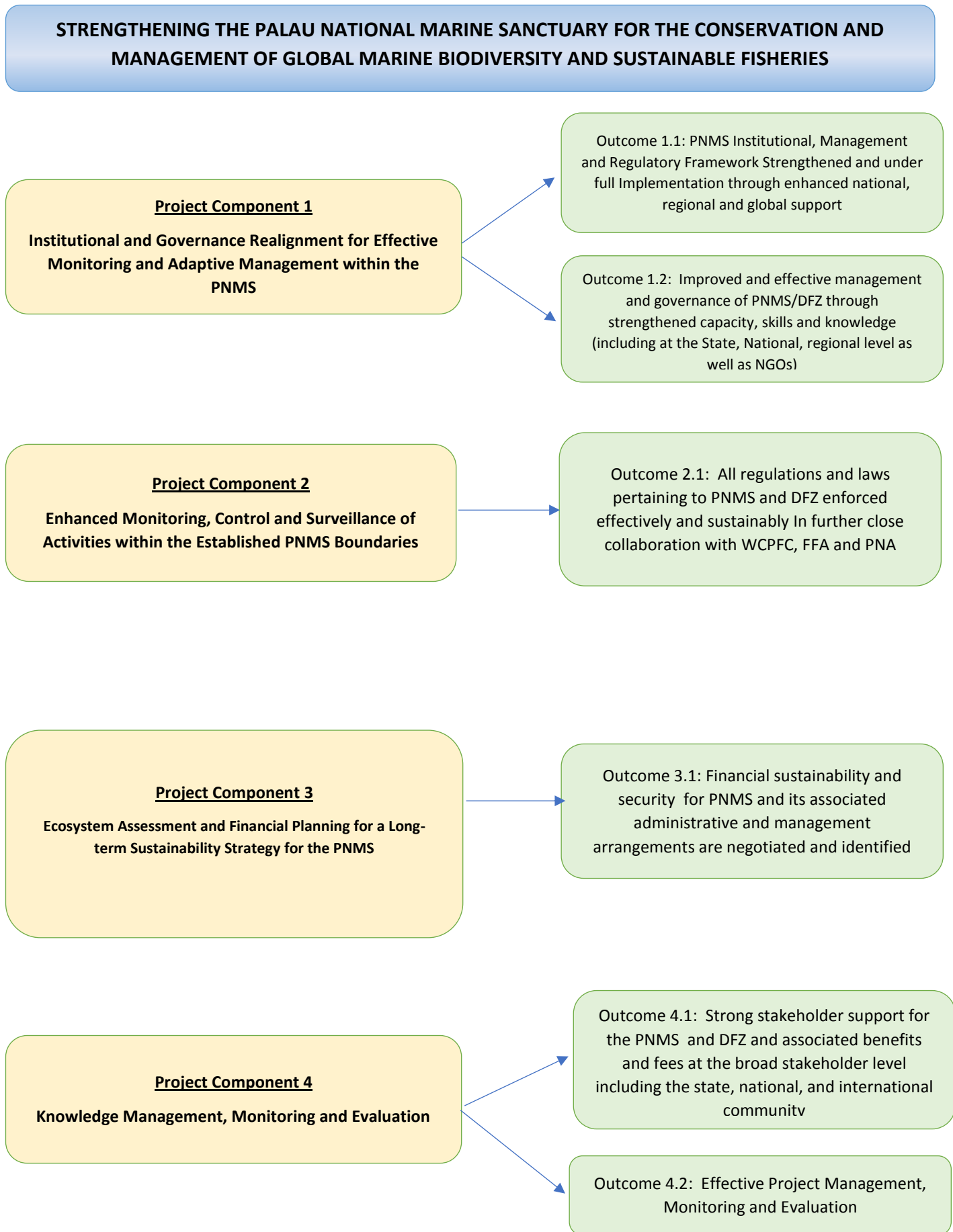


Figure 1: Theory of Change – Page 2

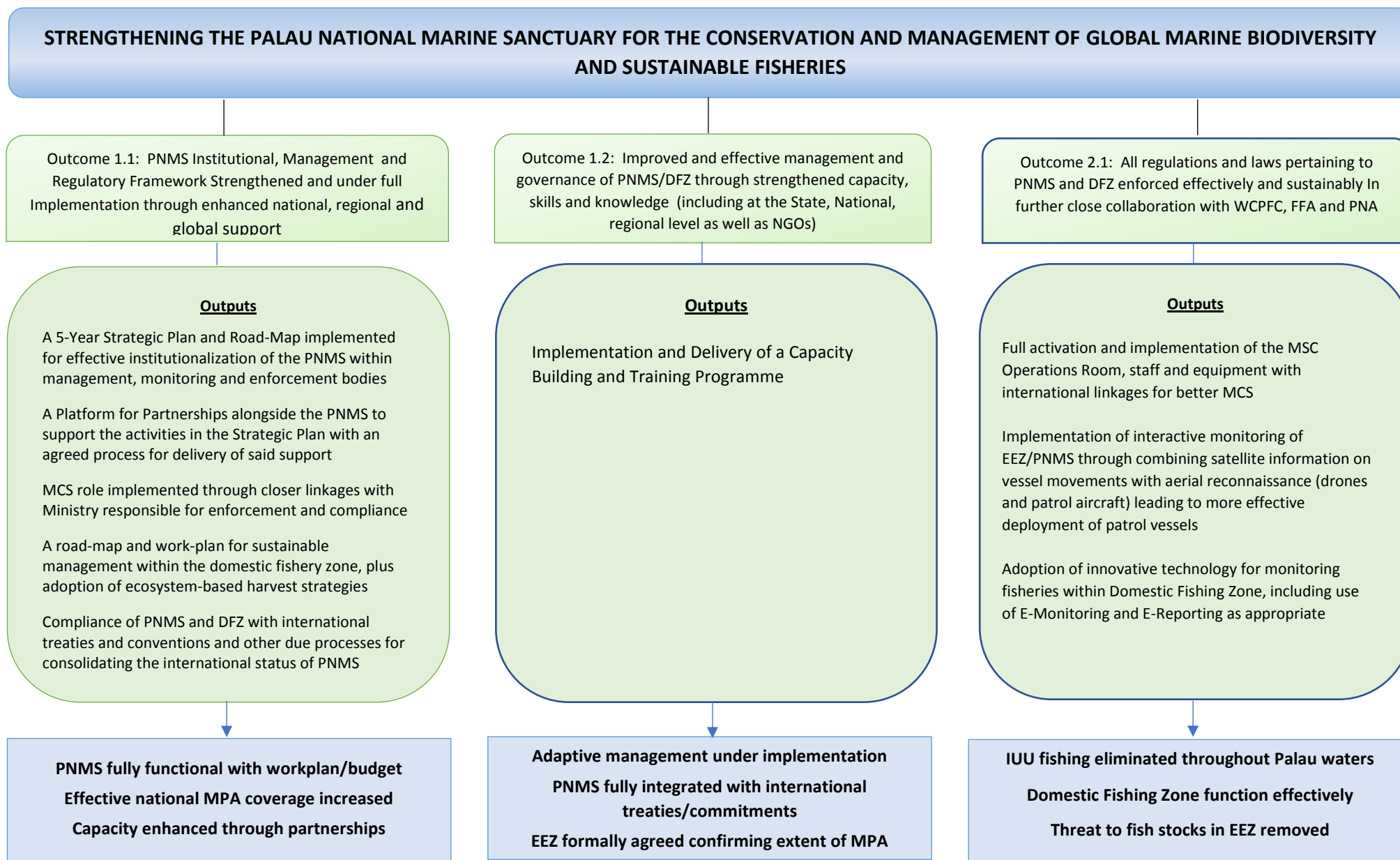


Figure 1: Theory of Change – Page 3

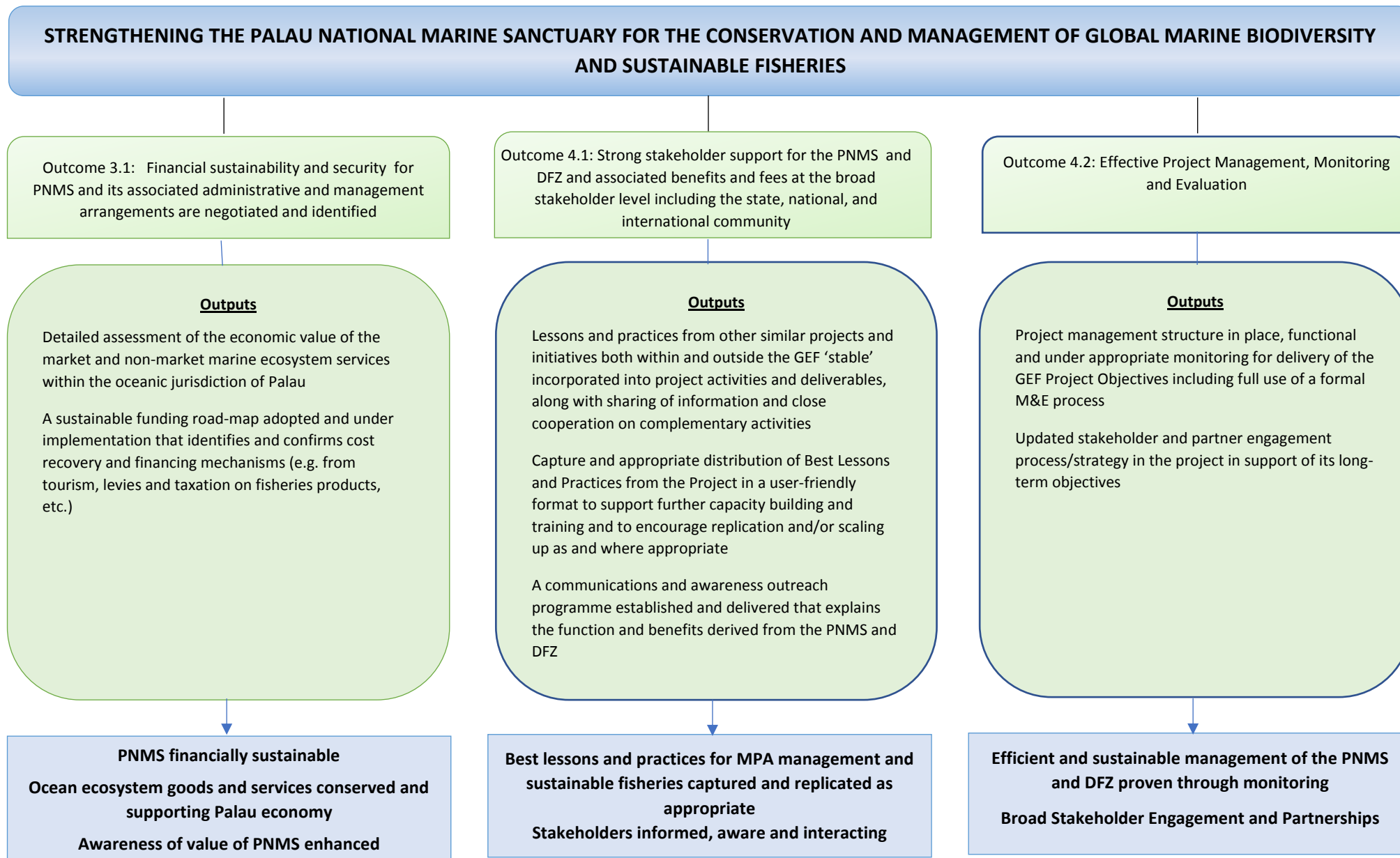


Table 2: How the Theory of Change and Associated Outcomes and Outputs address the Proposed Responses to the Root Causes and Barriers

ACTIONS FOR ADDRESSING ROOT CAUSES AND BARRIERS	Outcomes and Outputs
Formal institutional base and adequate staffing	1.1.A; 1.1.B; 4.2.A
Adopted Strategic Plan for PNMS with Results Framework for monitoring performance	1.1.A; 4.2.B
Strategies/Work-plans for priority issues	1.1.A; 1.2.B
Adoption of ecosystem monitoring targets and indicators and active ecosystem monitoring programme	1.1.A; 4.2.B
Technical capacity building and training	1.1.B
Partnerships/Alliances for scientific monitoring	1.1.C
Strengthen and support the MCS role of PNMS through closer interaction and institutional linkages with Ministry responsible for enforcement and compliance	1.2.A
Improved monitoring of EEZ for IUU using international support and partnerships	1.2.A; 2.1.B
Improved monitoring of DFZ for illegal or irresponsible activities	2.1.A; 2.1.B; 2.1.C
Sustainable development and adaptive management of Domestic Fishery Zone primarily for local use	1.2.B
Improved communications and interactions with and support to local fishers	1.2.B; 3.1.B
Strengthening of role and function of PNMS to comply with international treaties and conventions	1.2.C
Formally establish EEZ boundaries to the PNMS with neighbouring countries	1.2.D
Development and Adoption of a Road-map and planning for sustainable funding	3.1.A
A Communication and Awareness Plan focusing on outreach to ALL stakeholders including the national and international community	3.1.B; 4.1.C; 4.2.C
Ecosystem goods and services assessment to define renewable values	3.1.C
Ecotourism cost-benefit and carrying capacity analysis leading to adoption of a Strategy for a Blue Economy	3.1.D
Capture of Experience from other MPAs globally	4.1.A; 4.1.B

The Project addresses the following GEF 7 Programming Directives¹⁴ through **Objective 2. Reduce Direct Drivers of Biodiversity Loss**, as per the following Programming Options:

E) Reduce pressures on coral reefs and other vulnerable coastal and marine ecosystems	Programming options
Expected Outcome 7: Anthropogenic pressures on vulnerable coastal and marine ecosystems, including coral reefs, mangroves and seagrass beds, and associated ecosystems, including pollution, overfishing and destructive fishing, and unregulated coastal development, are reduced, thus contributing to ecosystem integrity and resilience	<p>Biodiversity Focal Area Investments: Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate (Marine Protected Areas)</p> <p>International Waters Focal Area Strategy: Coastal and marine protected areas and fisheries</p>

And...

¹⁴ <https://www.thegef.org/documents/gef-7-programming-directions>

F) Enhance the Effectiveness of Protected Area Systems	Programming options
<p>Expected Outcome 8: The area of protected areas under effective and equitable management is significantly increased, including development of sustainable financing.</p> <p>Expected Outcome 9: The ecological representativeness of protected area systems, and their coverage of protected areas, and other effective area-based conservation measures, of particular importance for biodiversity is increased, especially habitats for threatened species.</p>	<p>Biodiversity Focal Area investments: Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate Inclusive Conservation</p> <p>International Waters Focal Area Investments: Coastal and marine protected areas</p>

Palau has a global reputation for marine conservation and is recognised as a leader in sustainable development. Balancing economic development with the preservation of natural assets is an ongoing challenge for Palau. Pollution, solid waste disposal, unsustainable development, crop disease, declining marine resources, and invasive species all threaten the country's unique biodiversity. During the El Niño weather pattern of 2015-2016, Palau recorded its lowest annual rainfall in 65 years and a State of Emergency was declared.

The main economic challenge Palau faces is to reduce its general vulnerability by diversifying its base and strengthening its fiscal self-sufficiency. As with other Pacific Island nations, Palau is reliant on ODA (from the US Compact and Trust Fund), external grants, and imported food. The economy has performed well in recent years with GDP growth of 9.4 per cent. The rapid expansion of tourism has placed considerable demand on aging infrastructure and the country's fragile environment in addition to producing adverse social and cultural impacts. This has prompted concerns about the carrying capacity of Palau in the short to medium term. In response, the government has limited the number of in-bound flights and is seeking to cultivate higher-end ecotourism and a sustainable pathway for tourism development.

"Palau 2020: National Master Plan for Development" adopted in 1996 is a long-term comprehensive plan for social, economic, and infrastructure development organized around the overarching theme of improving the quality of life for all citizens. Palau's National Development Strategy focuses on Oceans, Climate Change, Disaster Reduction and Tourism. Within these major areas the identified priorities relevant to this current project include:

- Improving regulatory frameworks
- Identifying and establishing financing options
- Improving research and baseline studies ☐ Feasibility studies
- Monitoring and evaluation frameworks
- Pilot projects
- Human Resources capacity building

The proposed GEF project eminently fits these national priorities.

The project will help to ensure that Palau is implementing CITES nationally, especially within the PNMS as 'no-take' means that certain bycatch and its parts are no longer being exported (knowingly or unknowingly) from Palau (e.g. shark fin, turtle shell, etc). This would need to be the subject of specific monitoring and observation within the 20% DFZ.

The Project further addresses the global environmental priorities through the Convention on Biological Diversity Aichi Target 11 – Protected Areas Increased and Improved which states that *"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 landscape and seascape"*. Part of the implementation

rational that the Aichi Target address is that ‘the Ecosystem Approach should be applied taking into account ecological connectivity and the concept of ecological networks, including connectivity for migratory species’. The PNMS will focus clearly on the connectivity of the coastal and offshore ecosystems and their interdependence and interaction, as well as the implications of such connectivity and of highly mobile and migratory species on the conservation and management roles at both the national and state government level.

The Project also addresses primarily the UN Sustainable Development Goal 14 (To conserve and sustainably use the oceans, seas and marine resources for sustainable development) in the context of several Targets and Indicators (see Annex 9). It also has an impact on SDG 2 - End hunger, achieve food security and adequate nutrition for all, and promote sustainable agriculture and SDG Target 8.7 creating incentives for the development of sustainable tourism which takes into account community participation, local culture and local products.

Regional and Global Implications if Threats and Root Causes are not effectively address

At the regional level, By virtue of its position in the Pacific, about 800 kilometers east of the Philippines and 800 kilometers north of Papua New Guinea, Palau has the greatest marine biodiversity among all the islands in the Oceania group. Palau is home to more than 1,300 species of fish, 700 species of coral, and an estimated 130 species of rare sharks and stingrays. Its waters contain one of the largest portions of endemic species in the world¹⁵. The Palau archipelago stretches 400 miles north-south from the atoll of Kayangel to the islet of Hatohobei.

The offshore waters in Palau’s EEZ are an important migratory and potential spawning area for tuna and other large pelagics. Skipjack tuna (*Katsuwonus pelamis*) larval distribution is strongly influenced by temperature and as a result of these temperature constraints, the larvae tend to be concentrated in the tropics. The warm, poleward-flowing Kuroshio Current (which takes over from the North Equatorial current alongside Palau’s EEZ and flows north toward Japan and China) facilitates a seasonal (summer) expansion of the larval distribution into subtropical waters in the north around China and Japan and from thence into the far western and central Pacific Ocean¹⁶ (Figure 1). The juveniles yellowfin tuna (*Thunnus albacares*) are also more prevalent in such waters where surface temperatures are warmer than 24°C. Yellowfin tuna seasonal peaks in density of larvae also occur in this area and migrate into the Kuroshio Current during May to June and these waters with temperatures of 26°C are probably at the lower limit for spawning of both skipjack and yellowfin¹⁷.

The migration of skipjack is notably influenced by ocean currents and the fish move along prevailing currents utilizing them as foraging habitats. Figure 2 shows the importance of the area around Palau and neighbouring waters as a spawning ground and the subsequent migratory routes for their distribution. (Figure 2)

In the context of the adult capture fishery for skipjack, the western and central Pacific Ocean is the main area of operation of the purse-seine and baitboat fisheries with the fishing areas composed primarily of the largely contiguous EEZs of Philippines, Indonesia, Palau, Federated States of Micronesia, Papua New Guinea, the Solomon Islands, Nauru, Kiribati, and the Marshall Islands. For Skipjack, tagging results suggest a high throughput of individuals from Palau into the Federated States of Micronesia and Papua New Guinea and back and forth between the Solomon Islands.

¹⁵ <http://www.mpatlas.org/region/country/PLW/> accessed 19th May 2018

¹⁶ A review of the biology and fisheries for skipjack tuna, *katsuwonus pelamis*, in the Pacific Ocean. 1994. Wild, A., and Hampton, J., . <http://www.fao.org/3/t1817e/T1817E01.htm>

¹⁷ Shomura, R.S.; Majkowski, J.;Langi, S. (eds.) Interactions of Pacific tuna fisheries. Proceedings of the first FAO Expert Consultation on Interactions of Pacific Tuna Fisheries. 3-11 December 1991. Noumea, New Caledonia. Volume 1: summary report and papers on interaction. FAO Fisheries Technical Paper. No. 336, Vol.1. Rome, FAO. 1993. 326p. <http://www.fao.org/3/t1816e/t1816e.pdf> accessed 20th May 2019.

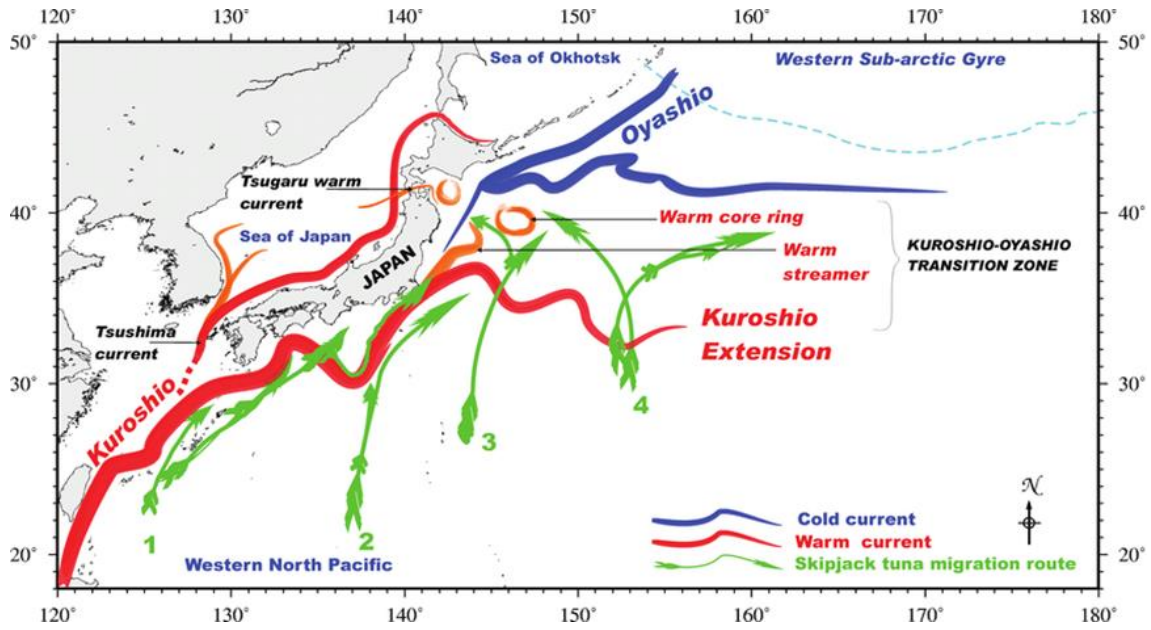


Figure 2: Northerly migration of skipjack into western North Pacific from western South Pacific

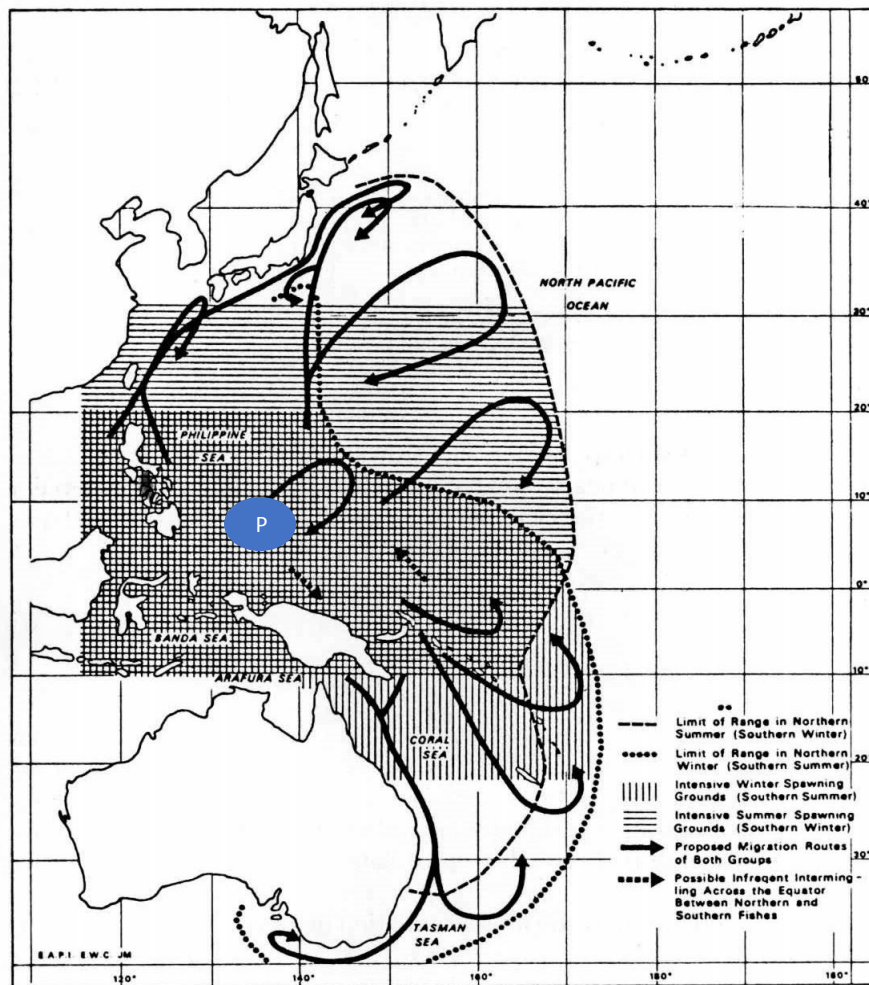


Figure 3: Spawning grounds and proposed range and migration routes of skipjack subpopulations in the western Pacific. Palau is identified as

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Taken from Shomura, R.S.; Majkowski, J.;Langi, S. (eds.) Interactions of Pacific tuna fisheries. Proceedings of the first FAO Expert Consultation on Interactions of Pacific Tuna Fisheries. 3-11 December 1991. Noumea, New Caledonia. Volume 1: summary report and papers on interaction. FAO Fisheries Technical Paper. No. 336, Vol.1. Rome, FAO. 1993. 326p. <http://www.fao.org/3/t1816e/t1816e.pdf> accessed 20th May 2019.

The tuna fisheries of the WCPO principally target the four main tuna species. However, the fisheries also catch a significant range of other species in association with these. Some of the bycatch are of commercial value but many others are discarded. There are also incidents of the capture of species of ecological and/or social significance (protected species), including marine mammals, sea birds, sea turtles and some species of shark (e.g. whale sharks).

The world's largest stocks of tuna occur in Pacific Island waters and over half of the tuna caught in the Western Pacific are from small island nations¹⁸. However, enforcement capabilities within these countries are often resource-limited and undersized relative to the enormous ocean jurisdictions resulting from political boundaries between distributed island chains; thus, introducing a vulnerability to IUU activities¹⁹. Palau is more vulnerable to IUU activities being located adjacent to two high seas pockets, allowing vessels to engage in unlawful activities with quick egress out of controlled EEZs. Having a deep cultural heritage for ocean conservation, the Pacific Island countries are strong advocates of a 'Blue Economy' and the sustainable use of ocean resources for economic growth and are turning towards an increased reliance on green tourism dollars to recapture lost income from commercial fishing licenses. It is within this growing regional socioeconomic framework that Palau has emerged as a global leader in ocean conservation, receiving the 2012 Future Policy Award for developing the world's best policies to protect oceans and coasts. Along with Kiribati (the Phoenix Island Protected Area) Palau now leads the world in highest percentage of its exclusive economic zone set aside for full protection. 81% of Palau's entire marine jurisdiction (Territorial Waters plus EEZ) have been declared an MPA. However, Palau is struggling to fully implement the management of much of this vast area, particularly in the EEZ where it has declared the Palau National Marine Sanctuary.

The Domestic Fishing Zone will further act as a valuable regional level demonstration for other Pacific Island Countries and territories on management of their fisheries in relation to national needs both at the food security level and with regard to the maximisation of benefit from fisheries revenues. A management strategy for the DFZ need to identify the rights of access for Palauan fishermen as well as licensed vessels from outside of Palau. Priority needs to be on ensuring that this DFZ is there primarily for the benefit of Palauans, either for their own fishing needs in relation to food security or as a source of national and state revenue from strictly controlled and licenced foreign vessels. The countries of the region will almost certainly have to start turning more to the use of offshore fish for domestic consumption to compensate for declining food resources from coastal fisheries, support adaptation to climate change, and provide benefits to small-scale fishers. This may require countries of the region to consider management measures in WCPFC or domestic access conditions that encourage industrial fishing vessels to offload at least some catch in Pacific Island ports and to support small-scale tuna fisheries. This offloading may come at some cost (i.e. reduction in some access fees). In addition, there will likely be an increasing focus on well-managed national nearshore FAD programmes to support artisanal fishers .

Globally, the PNMS is a valuable contribution to the SDG 14 targets (see below) particularly those relating to the expansion of MPA coverage and the regulation of IUU and destructive fishing practices. If managed effectively within an overall national blue economy strategy, it can also contribute to increasing the economic benefits to this Small Island Developing State through the sustainable management of fisheries and tourism as well as providing access to small-scale artisanal fishers to marine resources and markets. An effectively managed PNMS also contributes to the implementation of international law as captured in the "Future We Want statement from the Rio + 20 Conference on Sustainable Development, and particularly Paragraph 158:

¹⁸ **Towards a Fishing Pressure Prediction System for a Western Pacific EEZ.** Megan A. Cimino, Mark Anderson, Travis Schramek, Sophia Merrifield1 & Eric J. Terrill. Scientific Reports. 2019 9:461 | DOI:10.1038/s41598-018-36915-x

¹⁹ Agnew, D. J. et al. Estimating the worldwide extent of illegal fishing. PloS one 4, e4570 (2009).

We therefore commit to protect, and restore, the health, productivity and resilience of oceans and marine ecosystems, and to maintain their biodiversity, enabling their conservation and sustainable use for present and future generations, and to effectively apply an ecosystem approach and the precautionary approach in the management, in accordance with international law, of activities having an impact on the marine environment, to deliver on all three dimensions of sustainable development.

IV. Results and Partnerships

The following Components, Outcomes and Outputs show the intended alternative scenario and associated work to be undertaken to address the barriers and drivers (as identified above) that create the root causes threatening the effective long-term adaptive management of the Palau National Marine Sanctuary.

EXPECTED RESULTS:

Component 1: Institutional and Governance Realignment for Effective Monitoring and Adaptive Management within the PNMS and adjacent Domestic Fishing Zone

This component will aim to make the PNMS fully functional under adaptive management and to secure significantly increased effective national MPA management coverage (48,715,800 Hectares). Activities within this Component will include the development of the Strategic Work Plan and Road-Map in collaboration with appropriate stakeholders (both national and international) with its own Results Framework, Indicators and Targets. One of the important functions of this Strategic Work-Plan and Road Map will be to monitor the progress in the establishment and institutional implementation of the PNMS itself (see Output 1.1.1). A Capacity Building and Training Programme will be identified and implemented with the RF Indicators and Targets providing clear direction and objectives. Mentoring will be an important part of this process with international experts and partner institutions providing support and guidance both in Palau and from a distance. The existing partnerships for science and ecosystem monitoring will be strengthened and expanded to increase the focus and area of interest to include the offshore PNMS and its priority gap-filling and monitoring requirements. Monitoring, Control and Surveillance will be more formally institutionalised alongside the PNMS responsible bodies with better interaction and lines of responsibility. The regulations and compliance mechanisms for the Domestic Fishing Zone will be defined and communicated to all appropriate stakeholders and will embrace the precautionary approach using pre-selected management responses under the 'harvest strategies' mechanism being adopted by FFA and the WCPF Convention members. The 'purpose' and accessibility of the DFZ needs to be defined and established to ensure that any activities within this zone are for the benefit of Palau, either in the context of subsistence fishing or strictly managed foreign access with appropriate controls over landings and exports. The relationship between the PNMS and its objectives and international treaties and conventions relevant to Palau will be explored, particularly the Convention on Biological Diversity, World Heritage Convention and any pertinent linkages with the International Maritime Organisation and its bodies and conventions/protocols. The formal notification of EEZ boundaries to the appropriate United Nations bodies will be the subject of increased efforts in order to secure the boundaries of the PNMS itself, particularly in the context of MCS.

Outcome 1.1: PNMS Institutional, Management and Regulatory Framework Strengthened and under Full Implementation with enhanced national, regional and global support

Outputs

- 1.1.1 A 5-Year Strategic Plan and Road-Map (with monitoring targets and indicators) implemented for effective institutionalisation of the PNMS within the agreed management, monitoring and enforcement agencies

- Activities will include:**
- Negotiation, re-drafting and formal endorsement of the 5-year Strategic Plan/Road Map with emphasis on an Adaptive Management Strategy for the PNMS
 - Development of an ecosystem monitoring programme aligned with the 5-Year Plan and Road-Map supporting management of the PNMS
 - Implementation of an on-going ecosystem monitoring programme feeding into an adaptive management strategy as per the 5-Year Strategic Plan
 - On-going monitoring of performance targets and indicators for the 5-year Strategic Plan for effective implementation and institutionalisation of the PNMS
- 1.1.2 A Platform for Partnerships alongside the PNMS to support the activities in the Strategic Plan with an agreed process for delivery of said support
- Activities will include:**
- Identification of Partnerships and adoption of formal agreements within an overall Partnership Platform
 - Adoption of a Partnership Platform interactive process/ meeting schedule along with an agreed Plan-of-Action and responsibilities of support to the PNMS and DFZ and their management and monitoring
- 1.1.3 MCS role implemented through closer interaction and linkages with Ministry responsible for enforcement and compliance
- Activities will include**
- Negotiations and agreements between various Ministries and bodies involved in Monitoring, Control and Surveillance. This to include raising awareness within legal and judiciary bodies of importance of prosecution following interdiction of illegal activities
- 1.1.4 A road-map and work-plan for sustainable management within the domestic fishery zone, including the adoption of ecosystem-based harvest strategies
- Activities will include:**
- Negotiation, drafting and formal endorsement of an 'adaptive management' focused road-map and work-plan for sustainable management of the domestic fishery
 - Use of fisheries catch information to set harvest strategies as part of the management procedures for the DMZ
- 1.1.5 Compliance of PNMS and DFZ with international treaties and conventions and other due processes for consolidating the international status and recognition of the PNMS
- Activities will include:**
- Define linkages between PNMS and appropriate conventions/treaties including a road-map for stronger inclusions and/or signature/ratification if appropriate
 - Undertake the appropriate activities and stakeholder engagements in order to confirm the description of the PNMS and/or areas within as EBSAs (Ecological or Biological Significant Areas). This to include scientific studies and analysis as appropriate and as feasible
 - Review the feasibility and initiate appropriate actions and negotiations with relevant bodies and stakeholders for designation of the ONMS as A. a World Heritage Site and B. a Particularly Sensitive Sea Area
 - Support to due process for confirming MPA boundaries with adjoining national EEZs

Outcome 1.2: Improved and effective management and governance of PNMS/DFZ through strengthened capacity, skills and knowledge (including at the State, National, regional level as well as NGOs)

Outputs**1.2.1 Implementation and Delivery of a Capacity Building and Training Programme****Activities will include:**

- Identification of Capacity Building and Training needs through a stakeholder engagement process
- Development of modular training courses (governance, management and technical) based on best lessons and practices arising from Component 4
- Development and adoption of a 5-year CB&T plan in alignment with the 5-Year PNMS Strategic Management Plan.
- Establishment of agreements with partners on CB&T support and mentoring to deliver on CB&T 5-year Plan
- Implementation of CB&T Programme including monitoring of achievements and delivery

Component 2: Enhanced Management through improved Monitoring, Control and Surveillance of Activities within the Established PNMS and DFZ Boundaries

Component 2 will address the need to ensure the termination of IUU fishing (effectively any fishing) throughout Palau waters and to ensure that the Domestic Fishing Zone is functioning effectively under adopted and enforced legislation. Support will be provided to making the Operations Room and other aspects of the Marine Law Enforcement offices full operational alongside the PNMS Office. Emerging new technologies will be employed as appropriate alongside the growing surveillance capacity within FFA and WCPFC members. Remotely operated surveillance measures will be linked in with real-time satellite monitoring, manned aerial surveillance and marine patrol assets to provide effective coverage and response within the EEZ. Similarly, innovative technologies for monitoring of fishing activities within the DFZ will be explored and introduced where required, including electronic observer/monitoring systems as appropriate.

Outcome 2.1: All regulations and laws pertaining to PNMS and DFZ enforced effectively and sustainably In further close collaboration with WCPFC, FFA and PNA

Outputs:**1.1.1 Full activation and implementation of the MSC Operations Room, staff and equipment with international linkages for better MSC****Activities will include:**

- Hire staff and procure equipment as necessary to ensure that the DMLE Operations Room/centre is fully operational on a 24-hour basis
- On-going implementation of MCS protocols and support by ensuring staff are fully conversant with procedures and trained in use of equipment and response strategies.

1.1.2 Implementation of interactive monitoring of EEZ/PNMS through combining satellite information on vessel movements with aerial reconnaissance (drones and patrol aircraft) leading to more effective deployment of patrol vessels**Activities will include:**

- Develop and implement a monitoring programme/schedule and operational plan for interactive monitoring managed from the Operations Room/Centre. This will require formal agreements with international partners including FFA Surveillance Center; Satellite tracking provider in USA, etc. to ensure daily and ongoing surveillance measures are in place
- Review feasibility of combined aerial/ sea-going surveillance using drone(s) as well as aircraft
- If feasible, develop and implement work-plan for expanded surveillance using unmanned drones and patrol vessels.

- 1.1.3 Adoption of innovative technology for monitoring fisheries within Domestic Fishing Zone, including use of E-Monitoring and E-Reporting as appropriate

Activities will include:

- Collaborate with FFA and other appropriate bodies and partners within the WCPFC to develop and implement a road-map for electronic surveillance and reporting within the MDZ and associated landing areas.
- Review of options (and adoption where appropriate) for use of other innovative technological approaches for fisheries monitoring and management within the DFZ (e.g., FAD Deployment and Tracking)

Component 3: Ecosystem Assessment and Financial Planning for a Long-term Sustainability Strategy for the PNMS

The objectives of Component 3 is to identify and justify improved management all ocean ecosystem goods and services, to strengthen and support the concept of ecotourism, to remove the threats to fish stocks in the EEZ and to make the PNMS financially sustainable. An assessment of ecosystem goods and services will inform a cost-benefit analysis focusing on the importance of ecotourism and associated sustainable livelihoods and a secure GDP and revenue source. This process will demonstrate a clear political logic and aim to garner full support for such a strategy at both the political level and the community level. This will further support the requirement to identify and adopt a sustainable funding roadmap that supports a more 'blue economic' long-term strategy focusing on an ecotourism-based approach and thus supporting the PNMS and other protected areas within Palau. Integral to this process will be the need to communicate these issues and results and to raise awareness at all levels and with all stakeholders on the important long-term value of Palau's renewal biological resources.

Outcome 3.1: PNMS and associated administrative and management arrangements are financially sustainable and secure for the long-term

Outputs:

- 3.1.1 Detailed assessment of the economic value of the market and non-market marine ecosystem services within the oceanic jurisdiction of Palau

Activities will include:

- Value of ecosystem goods and services assessed/estimated
- Analysis of ecotourism revenues and cost-benefits of securing and protecting ecosystem goods and service. This to include percentage/amount of revenues/benefits available for the state level and national level

- 3.1.2 A sustainable funding road-map adopted and under implementation that identifies and confirms cost recovery and financing mechanisms (e.g. from tourism, levies and taxation on fisheries products, etc.)

Activities will include:

- Identification of cost-recovery and financing mechanisms to support PNMS and DFZ
- Identification of potential improved revenues resulting from more effective management of both PNMS and DFZ which can be channelled toward community and state activities and benefits
- Negotiation of Vessel Day Scheme fees within the Parties to the Nauru Agreement based on protection of regional biomass and spawning/migrating zone for commercial pelagics

- Sustainable funding mechanism agreed, adopted and implemented

Component 4: Improvement in Knowledge Management, communication and awareness outreach coupled with effective Project Monitoring and Evaluation

Knowledge capture and management is a critical component of any GEF project to ensure that best lessons and practices can be put to good, long-term use as well as identifying pitfalls and actions to be avoided. Knowledge products, services and assets need to be properly formulated and catalogued as well as distributed. Tools that will be explored for better Knowledge Management will include the use of appropriate databases, setting up and linking into knowledge platforms and groupware systems, the development and sharing/access to analytical tools such as statistical packages and cost-benefit analyses, and the effective use of exchanges and conferencing. The effectiveness of project management and delivery will be assessed and steered through a Monitoring and Evaluation Plan (see Annex 3) also supported by a Stakeholder Engagement Plan that requires strong stakeholder inputs to the project's outputs and to their on-the-ground delivery.

Outcome 4.1: Strong stakeholder support for the PNMS and DFZ and associated benefits and fees at the broad stakeholder level including the state, national, and international community

Outputs:

- 4.1.1. Lessons and practices from other similar projects and initiatives both within and outside the GEF 'stable' incorporated into project activities and deliverables, along with sharing of information and close cooperation on complementary activities

Activities will include:

- Undertake a review of available best lessons and practices that can be used by this project and incorporate these into appropriate activities/outcomes
- Adopt a programme for sharing information through direct interaction in-country, regionally and globally (e.g. through 'twinning' exercises)

- 4.1.2 Capture and appropriate distribution of Best Lessons and Practices from the Project in a user-friendly format to support further capacity building and training and to encourage replication and/or scaling up as and where appropriate. This process should link into the Stakeholder Engagement Plan to ensure stakeholder input as well as sharing/ learning. This process will also advise and provide feedback/documentation to IW:LEARN

Activities will Include:

- Review of best lessons and practices from this project leading to formal publication and IW:LEARN Experience Notes for use by other SIDS and similar national circumstances.
- Lessons and best practices reviewed and revised into modular training courses and capacity building materials to feed into CB&T outputs and activities under 1.1

- 4.1.3 A communications and awareness outreach programme established and delivered that explains the function and benefits derived from the PNMS and DFZ. This would further address the need for regular communications during project implementation in order to advise all stakeholders of the status and delivery from the project and the status of the PNMS itself.

Activities will include:

- Establishment of a specific section/body(s) within the PNMS and DFZ administration/ management to focus on Communications and Awareness
- Develop and adopt a Communications and Awareness Programme through stakeholder engagement and input that targets relevant target bodies including a. general public, b. communities, c. states d. policy-makers, e. private sector and f. the regional and global community

Outcome 4.2: Effective Project Management, Monitoring and Evaluation**Outputs:**

4.2.1 Project management structure in place, functional and under appropriate monitoring for delivery of the GEF Project Objectives including full use of a formal M&E process

Activities will include:

- Project Coordination Unit established and staffed
- Regular reporting and assessment of project delivery undertaken as per UNDP requirements (Monitoring Plan)
- Independent Advisory Assessment of Project at Mid-Term (not a formal MTR)
- Formal Independent Terminal Evaluation of project as per UNDP requirements

4.2.2 Updated stakeholder and partner engagement process/strategy in the project in support of its long-term objectives

Activities will include:

- Review of stakeholder engagement and stakeholder inputs to and involvement with Project Objective and Outcomes (also to be captured in Best Lessons and Practices above)
- Assessment, revision and adoption of revised and updated Partnership Platform process and the role of the organisations engaged into management process

COVID 19 and the Project Outputs:

Ecosystem monitoring with the identified partners will require a COVID 19 Management and Guidelines Strategy to ensure the welfare of all involved staff and scientists, especially on-board any research vessels and during field scientific studies. Identification of Capacity Building and Training needs through a stakeholder engagement process will be required to also identify and adopt any necessary policies and guidelines to ensure the welfare of both trainees and trainers, inevitably with an emphasis on virtual training techniques in the first instance and until (and if) it is deemed safe for travel and meetings to be generally reinstated (including any conditions associated with same). The MCS Operational Centre will have a set of clear guidelines for staff activities that further relate to the status of response to COVID 19 at the time. Identification of cost-recovery and financing mechanisms to support PNMS and DFZ will need to consider any short- and long-term impacts on revenues coming into the country and adjust recommendations and calculations to suit. Activities and knowledge exchanges will adhere to UNDP guidance on travel and precautions related to the COVID-19 global pandemic, and the project will develop virtual or on-line activities to support these exchanges where possible.

The Results Framework below shows the targets and indicators associated with the above Outcomes and Outputs

PARTNERSHIPS:

Further to the primary in-country stakeholders (see below) , Palau is currently working in partnership with UNDP supported by GEF on Integrating biodiversity safeguards and conservation into planning and development which focuses on the integrated planning and management of land and seascapes through a “reef-to-ridge” approach. More specifically, the project aims to address the negative impacts of unsustainable sector-led development practices on biodiversity-rich landscapes of Palau, including its productive coastal and marine ecosystems, while taking into account climate change adaptation needs and inclusive and equitable social and economic development for dependent communities, as well as safeguarding against threats to biodiversity and the introduction and spread of Invasive Alien Species through the tourism and related sectors. The objective of the project is to mainstream biodiversity conservation into integrated land and seascape governance, planning and management in Palau. There are several areas of potential synergy where complementary activities would be to

the benefit of both projects. Both initiatives recognise the growing importance of ecotourism to Palau's GDP alongside the need to ensure food security. As a ridge-to-reef initiative, the 'integrating biodiversity safeguards and conservation...' project is focusing more on the land-based and immediate coastal resources as part of the improved planning and management process. This PNMS project will aim to understand the connectivity across the deeper waters and ecosystem(s) of the EEZ into the coastal area as well as focusing on food security and income/livelihood sustainability through the Domestic Fishing Zone and Artisanal fishing areas. The Component (4) dealing with knowledge Management will ensure close interaction between the two projects and any other closely related activities within the country.

Palau is also preparing a project submission under the Green Climate Fund. Climate change is having major impacts on Palau's marine ecosystems, which are critical to Palau's people for food, income, and quality of life. As a result, Palau is extremely vulnerable to the impacts of climate change on coral reefs and fisheries due to ocean warming and acidification. Palau has made great progress on marine management but not at a scale adequate to build ecosystem resilience. The Government of Palau, CI and partners have determined that the best way to build resilience is to reduce cumulative anthropogenic impacts. This will be done by strategically addressing barriers to effective management in coral reef and pelagic ecosystems. This will allow coral reefs and marine ecosystems to exercise their natural adaptive capacity in response to the effects of increased greenhouse gas emissions thus helping maintain ecosystem services that benefit Palau's population of 21,000. There is one particularly important component of the GCF project which complements the activities and deliverables of this project as highlighted above (particularly those related to the Domestic Fishing Zone). This aims to further strengthen the resilience of coral reefs to climate impacts by progressively transferring fishing effort from coral reefs to tuna and tuna-like species in pelagic marine ecosystems through development of a domestic pelagic fishery. In principle, closing off 80% of the EEZ to pelagic fisheries might create a shortage of such pelagics for home consumption, particularly if fishing effort in the DFZ is reduced and if landings do not come into Palau. The project is conscious of this possibility and will focus at an early stage on building up the domestic pelagic fishery to address this. In view of the objectives of the GCF project, the project will aim to collaborate closely with that project to ensure cost-effective and complementary activities.

Another very important partner will be the GEF-7 International Waters Project: Strengthening Marine Resource Management of Micronesian Large Ocean States. This Project is close to submission and the two projects have been collaborating to ensure complementary activities that strengthen both project objectives. More specifically, the IW project will complement this MSP through developing recommendations to enable a Palau domestic pelagic fishery industry to fish the DFZ, ideally to offset some of the lost foreign fishing license revenue and to replace any shortfalls in pelagic fish landings by DWFNs with domestic landings to ensure food security and livelihoods.

For more than two decades, GEF and UNDP (along with a number of other partners at various stages) have been supporting the development and maintenance of sustainable fisheries within the Western and Central Pacific Fisheries Convention area. This has recently led to the Pacific Island Countries and Territories formally endorsing a **Strategic Action Programme for the Sustainable Management of Living Oceanic Resources by the Small Island Developing States of the Western and Central Pacific**. The overarching long-term vision captured within this SAP is for '*A healthy, well-managed and valued ecosystem supporting the sustainable use of living marine resources which provide food and economic security, resilience and benefits to the SIDS in the WCPF Convention Area*'. There are many priorities highlighted for action in this regional SAP which are also reflected and addressed in this current Medium Sized project. These include:

- There is a need for more control over FADs to optimise returns from target stocks and reduce bycatch and other ecological impacts as well as to assist small-scale fishers in catching tuna and strengthening food security
- Adoption of an effective and proactive Adaptive Management mechanism based on the Precautionary Approach as set out in the UN Fish Stocks Agreement

- Adoption and implementation of harvest strategies based on reference points and harvest control rules as detailed in Annex II of the UN Fish Stocks Agreement. (N.B. The harvest strategy programme has been given priority within the WCPFC Commission’s work programme but is still in its earliest stages and Palau can provide an early demonstration and capture lessons and practices.
- More comprehensive and broader input of data to support the prediction and assessment of the potential effects of climate change on stock distribution, and the use of such information within a proactive adaptive management process.
- Improved understanding of how coastal ecosystem health can impact on the offshore fisheries and vice versa, as well as understanding the role of such ‘connectivity’ on ecosystem sustainability, SIDS socioeconomics and food security resilience
- Promoting domestic fleet development, especially in the longline fishery, including through the development of business planning and technical level assistance
- Training programmes for fisheries inspection and enforcement officers, especially in E-monitoring and E-Reporting as part of the compliance process

In this context, the MSP may be able to test and demonstrate a number of the SAP requirements at a national level and share lessons and best practices back to FFA and the WCPFC members.

The following Table lists some of the partnerships that will also support the MSP:

PARTNER	DESCRIPTION	STATUS AND ROLE IN PROJECT
Stanford Center for Ocean Solutions	The Stanford Center for Ocean Solutions (COS) catalyses research, innovation and action to improve the health of the oceans for the people who depend on them most. COS is creating the innovations needed to sustain ocean health in the face of various threats to the world’s oceans, translating insights from research into solutions at scale for oceans and people.	Stanford COS is an existing partner with PICRC and has been working closely with them for some months/years to see what assistance can be provided to the PNMS. Some specific areas COS will plan to assist with as a partner to this project would be a) identifying the likely (direct and indirect) ecological, cultural and economic effects of protection of 80% of the EEZ? B) The social and economic consequences and benefits of both the PNMS and the DFZ. C) What are the likely effects on regional (PNA) fish stocks (and bycatch rates, particularly of protected species), nearshore fisheries via effort redistribution, and tourism assets (reefs; megafauna; sportfishing)?
Global Oceans – Global Seamounts Project	Global Oceans was created to enable collaboration and promote achievable scientific research in the world’s oceans in support of better ocean management and governance. Global Oceans is organized across two integrated dimensions: First, the innovative MARV operational model developed by Global Oceans enables an expanded research capacity for ocean and atmospheric science that is readily scalable, demand-responsive, and more cost-effective than traditional approaches. Second, Global Oceans is developing specific projects and exploring new collaborative opportunities across the science community internationally where mobilization of MARV platforms can catalyze and enable important research that is currently constrained by physical and organizational capacity.	Global Oceans have already formally committed to being a partner in this PNMS initiative. One of Global Oceans’ main projects is the Global Seamounts Project and they are planning an expedition into Palau in 2020 as part of this initiative at the invitation of the President of Palau. The intention is to survey selected seamounts with Palau’s EEZ and to increase knowledge of the deeper offshore ecosystems that exist within the Palau National Marine Sanctuary. They will be using an ROV launched from a customised scientific research platform and which is capable of depths up to 4000 metres and can carry a suite of sampling gear that can measure biological, chemical and physical parameters. While they have a fully equipped scientific research vessel in Palau’s waters, they are also offering the opportunity to Palau to establish some oceanographic monitoring stations along selected cruise lines in support of the proposed UNDP GEF Project ‘Strengthening the Palau National

		Marine Sanctuary for the Conservation and Management of Global Marine Biodiversity and Sustainable Fisheries'. The expedition will also offer an opportunity for local scientists and other interested stakeholders to take part in the various scientific research activities.
Forum Fisheries Agency	Intergovernmental agency established to facilitate regional co-operation and co-ordination on fisheries policies between its member states in order to achieve conservation and optimum utilisation of living marine resources, in particular highly migratory fish stocks, for the benefit of the peoples of the region, in particular the developing countries	Palau is already a member of the FFA. FFA will partner with the project and with the PNMS and DFZ in the long-term to provide support to surveillance of vessels in Palau's jurisdictional waters and to assist in MCS activities where possible. FFA will also assist the project in brokering negotiations over the Vessel Day Scheme and in providing linkages between the project and the larger Oceanic Fisheries Management Project and subsequent Strategic Action Programme Implementation.
GEF-7 International Waters Project: Strengthening Marine Resource Management of Micronesian Large Ocean States*	The project will engage private sector partners and industry platforms, especially in the fisheries sector, in broader strategy options, taking advantage of advances in technology and recent industry commitments for environmentally sustainable economic growth.	The two projects have been collaborating to ensure complementary activities (and avoid duplication) during their respective project developments. The International Waters project aims to support key Micronesia regional organizations, including the Micronesia Conservation Trust and Palau International Coral Reef Center. Specifically, the project will complement this MSP through developing recommendations to enable a Palau domestic pelagic fishery industry to fish the DFZ, ideally to offset some of the lost foreign fishing license revenue.
The Nature Conservancy	The Nature Conservancy is working with local partners to help close the data gap by funding scientific research on longline fishing practices. In tandem, TNC is rolling out electronic monitoring technology in the tuna fishery to improve oversight. Using motion sensors and GPS systems with cameras, government and industry players can see what species are being brought on board. TNC is testing new, innovative fishing practices to reduce the bycatch of sensitive marine species like turtles, sharks, and rays. We are also conducting on-the-water research like tuna demand assessments and testing electronic monitoring technology to improve management and help prevent IUU tuna fishing. TNC has also developed productive working relationships within the industry, including independent fishing companies in Palau	The project will aim to collaborate closely with TNC's work in the region in order to a) build a strong research capacity on tuna stocks and migration within the PNMS. They will also collaborate on introducing technology for better management within the DFZ including electronic monitoring and reporting as well as FAD tracking.

Table 3: Partnerships and their Roles in the Project

STAKEHOLDER ENGAGEMENT:

During the process that led to the enactment by Executive Order of the PNMS. A significant amount of consultation took place across all levels and sectors of the community. The bill that enacted the PNMS was part of the current President's election campaign which he went on to win which demonstrates the overall support which he had for the PNMS. Such a consultation process and opening up for public comment is a formal requirement modelled on the same system as used in the United States. This included many media interactions (radio and television broadcasts and interviews, newspaper articles and discussions, etc) as well as numerous public meetings and debates in all 16 States.

Just as full stakeholder engagement and consent was a mainstay of the process for adoption of the Palau National Marine Sanctuary, so this has been continued into the project development process. This project has been specifically negotiated and designed in order to implement a law that was enacted following FPIC and IPP guidelines. Project Development itself included the formal involvement of and dialogues with the Council of Chiefs, the 16 Honourable Governors of the 16 States of Palau, including prior to and at the Project Validation Workshop. The Palau Ebiil Society was also engaged in the project development and in-country endorsement process. The Ebiil Society was founded to support the proper management of natural resources by and through indigenous peoples and using their knowledge.

During the project preparation phase, a number of workshops and meetings were held in Palau with actual and potential partners and including in-country stakeholders during which the Project's objectives and outputs were discussed in the context of the need of the country at all levels from senior government to local community representatives, scientific and research establishments (both national and international) and NGOs (both national and international). Further to these various workshops, the Project Validation Workshop to fine-tune and approve the final submission to GEF was held in October 2019 with 75 representatives invited to attend and the Project Document was shared with all of these for comments. Representation at these workshops included various senior government personnel from relevant Ministries and Departments, Council of Chiefs (tribal and community) Sports Fishing community, various NGOs (including the Palau Conservation Society, Nature Conservancy, Conservation International), a number of scientific research and educational establishments (including Stanford University Center for Ocean Solutions, Palau Community college Coral Reef Research Foundation).

Consequently, stakeholder engagement has been an ongoing and active part of the project development process and will continue into and throughout the project's lifetime. The key stakeholders relating to this project are included in the Stakeholder Engagement Plan in Annex 5. This SEP also includes a discussion on how and when stakeholders will be consulted during project execution (see Stakeholder Engagement Timetable) although some of the specific timing will be dependent upon the launch date and Inception Workshop for the project. The SEP also describes how information will be disseminated and provides examples of the expected communication tools and related targeted stakeholders although this will be more clearly defined in the overall communications and awareness strategy to be developed in the early stages of the Project. The Stakeholder Engagement Plan recognises the importance of active and regular communications with and between the various stakeholders in order to keep them updated on developments within the project and in relation to the effectiveness and success of the PNMS.

A project Validation Workshop took place when the draft Project Document was completed. This involved some 30-40 stakeholders from government, state-level, NGOs, academia, etc. This was a highly interactive workshop with strong engagement and ownership displayed by all stakeholders present. Consequently, the expected Outcomes and Outputs and the overall Results Framework were much improved. One very strong and pertinent requirement that arose as a result of this workshop was the need to ensure that ownership was invested into the communities and at the state level and that they were made fully aware of any benefits and advantages to their socioeconomic status/situation which would result from the completion of the Project and its Outcomes. State representation was present at the workshop and made this point and various others.

GENDER EQUALITY AND WOMEN'S EMPOWERMENT:

In Palau, women have a strong voice and a role in decision-making processes from the community all the way to the National government. Palau's Gender Division has adopted an approach that does not simply focus on women, but rather the need for inclusivity and whether a person or group is/are vulnerable. Palau's Gender Mainstreaming Policy requires that a "Gender and Socially Inclusive" and balanced lens be applied to every project and does not advocate simply for "gender equality." Gender roles in Palau are rapidly changing for every age and socioeconomic age bracket. Under the constitution of Palau, women are afforded equality of

opportunity with men; recommendations by the association of women's chiefs (Mechesil a Belau) are said to be given high consideration in legislative matters. Customary law has constitutional status in Palau and the application of customary practices influences formal criminal procedures.

Traditionally, Pacific islanders have relied on marine resources as their main source of food, and fishing skills and knowledge were recognized as the status symbol of both wisdom and masculinity among many Pacific cultures. Likewise, in Palau, fishers were highly esteemed members of the community with fishing being central to the organization of Palauan communities, embodying the gender dichotomy and social stratification, which still supports the basis of the socio-cultural dynamics of the society. In Palauan tradition, for instance, women have traditionally engaged in reef gleaning activities (e.g. for Bêche-de-mer, mud crab coconut crab, etc.) and farming of taro, while men capture fin fish which make up the majority of the Palauan diet.

Prior to colonization, Palauan society was organized into separate communities, each with its own respective chief. Between communities, land and sea barriers were continuous, and each community had proprietorship of sections of the coastline and reef. From ownership of and responsibility for a defined geographical area came a natural conservation ethic. Much of this has now been lost with the onset of modern democracy. Even in the midst of this modernization, fishing has remained both economically and culturally important and is practiced regularly for subsistence purposes, though not commercially, by many Palauans both in their urban and rural settings. However, the centralization of marine resource management to the contemporary governing body has had negative effects on Palauan fishing culture and fish populations from the early days of the Palauan modernization as it slowly replaced the power of traditional community based management (TCBM) system which was based on the indigenous chieftainship

Palau ratified the Convention on the Rights of the Child in 1995, and endorsed a number of key international and regional policy frameworks promoting commitment to gender equality, including the 1995 Beijing Platform for Action, the 2000 Millennium Development Goals, the Revised Pacific Platform for Action on Advancement of Women and Gender Equality 2005–2015 and the Pacific Plan (2005, revised in 2007).

Within the framework of the project, the actions that will be implemented comply with the following criteria for equality: a) involve women and youth groups; b) ensure equal income among all groups when engaged in the same activity; c) provide equal opportunities for access to training and incentives for sustainable production; and d) equal participation in decision-making.

The presence of the PNMS 'no-take' zone is not expected to have any negative effects on gender equality as the main fishery that existed in that area was licensed to foreign vessels. The project will consider the contributions made by women to the fishing sector and help to identify opportunities arising as a result of the establishment of the Domestic Fishing Zone. One expected improvement will result from the need for DWFN vessels to land their catches in Palau for onward shipment and/or local consumption. This will encourage processing facilities to establish which will provide further employment. This work is traditionally the role of women in the South Pacific.

Further opportunities will include the following:

- Strengthening the legal and institutional framework for the Palau National Marine Sanctuary and Domestic Fishing Zone thereby creating conditions to promote gender equality within this framework.
- Promoting and making use of the Value of traditional knowledge and biodiversity conservation practices by women.
- Recognition and expansion of the importance and role of women in marine production systems (fishing, tourism, etc.)
- Recognizing the interest of women to increase family income and develop sustainable production activities.
- Targeting and promoting women's interests and knowledge improvement in production processes and sustainable management of biodiversity, particularly through capacity building and training

A Gender Analysis and Gender Mainstreaming Plan is included as Annex 6

SOUTH-SOUTH AND TRIANGULAR COOPERATION:

The Framework of operational guidelines on United Nations support to South-South and triangular cooperation defines South-South cooperation (SSC) to be “a process whereby two or more developing countries pursue their individual and/or shared national capacity development objectives through exchanges of knowledge, skills, resources and technical know-how, and through regional and interregional collective actions, including partnerships involving Governments, regional organizations, civil society, academia and the private sector, for their individual and/or mutual benefit within and across regions. South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation”. This Project includes an Outcomes that addresses Knowledge Management, (including through a Communication and Awareness Plan) focusing on outreach to stakeholders including the national and international community (i.e. beyond the boundaries of Palau itself). The associated Outputs include that Best Lessons and Practices from the project will be identified and documented and distributed to appropriate target bodies and agencies (Including through IW:LEARN) to be made available to all GEF eligible countries, especially SIDS and PICTS that are member states of the SPC. The Project will also, as one of its outputs, undertake an assessment of potential for scaling up and replication of the project results and achievements to guide other SIDS. The lessons, best practices and replication potentials will also be shared back through a process of triangular cooperation through appropriate bodies and venues (e.g. ICES, IOC-UNESCO, Annual LME Conferences) including through the vehicle of the United Nations Decade of Ocean Science for Sustainable Development.

INNOVATION, REPLICATION, SCALING UP AND SUSTAINABILITY:

This will be a highly innovative MPA project and somewhat unique to the GEF stable, if not, indeed, the global MPA estate as a whole. Closing most of a country’s EEZ to all commercial fishing while keeping a small but reasonable pocket open but under strict management and control for the benefit of the island state is a unique ‘experiment’ which could and hopefully will prove to be highly replicable to the other Pacific Island Countries and States (PICTS). The recently signed (endorsed by 15 PICTS) Strategic Action Programme for the Western and Central Pacific Fisheries Convention area recognises the need to maintain both food security and livelihoods in the region by ensuring the best possible benefits from the fishery coupled with its sustainable management and the well-being of the overall ecosystem (recognising that the latter is not always the first interests of distant water fishing nations when they come into the region). In this context, the SAP identifies one of its Outcomes to be *‘Strengthen the sovereign rights of Pacific SIDS to effectively control and ensure ongoing access to their tuna resources, particularly through the legal recognition of existing jurisdictional baselines in perpetuity in order to underpin effective management’*. The SAP also recognises the need for the *‘adoption of effective adaptive management mechanisms in line with the precautionary approach’* and *‘a shift from single-species management to an ecosystem-based management approach’* as well as *‘Strengthening cooperative monitoring, control and surveillance programmes and associated data analysis capacity with the specific aim of reducing and eliminating IUU fishing’*. Furthermore, the SAP aims to achieve the *‘Analysis of Ecosystem Goods and Services to support and justify Management Improvements’* and the *‘Understanding role/impact of interactions within the ecosystem on overall ecosystem sustainability’*. Although this SAP is a regional Programme, much of the initiative to achieve these improvements need to be taken at the national level and Palau is setting both an example and a standard for this. Other PICTS are keen to also gain better control over their EEZs (and even the high seas pockets beyond which interact and connect with their high seas ecosystems) and will be eager to identify and adopt many of the lessons and best practices arising from this initiative in Palau. Replication is therefore almost a foregone conclusion within the South Pacific as a whole. In the context of geographical area, scaling up may be optimistic (although Kiribati has 1.7 million square miles of MPA to address which is in need of effective management strategies), but the process laid out for strengthening the PNMS could be scaled up in the sense of spreading it further across the Convention area where appropriate. Much will depend on capturing the lessons and best practices from this initiative and seeing where they might be replicated or amended to fit.

The Sustainability of the PNMS and DFZ in the context of the overall objective of the project rests primarily on securing long-term funding and on political will. A number of funding sources have already been identified and some have been formally adopted through law, but these still require the necessary mechanisms for supportive funding allocation to be put in place which would be a major function of this project. The development of a more ecotourism-based GDP will also be of vital importance within a new blue economic strategy. Component 3 addresses Ecosystem Assessment and Sustainability Planning for a Long-term Blue Economy Strategy which is central to the long-term sustainability through both awareness raising and political realisation of the value of marine ecosystem goods and services to the Republic of Palau as well as re-positioning the entire national policy and strategy toward a blue economy based on the ecosystem(s) and biodiversity.

V. Project Results Framework

<p>This project will contribute to the following Sustainable Development Goal (s): SDGs 2, 8, 14</p> <p>This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): UNDAF/Country Program Outcome: Environmental Sustainability.</p> <p>UNDP Strategic Plan Output: Output 1.3 Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste</p>

Objective, Components and Outcome	Objective and Outcome Indicators	Baseline	Mid-Term Targets (confirmed by Mid Term Review)	End of Project Targets (confirmed by Terminal Evaluation)
<p>Overall Objective:</p> <p>Strengthen the Institutional and Governance Structure and Implement a Strategic Plan for the Sustainable Management of the Palau National Marine Sanctuary and Domestic Fishing Zone and provide a healthy and productive ecosystem for the benefit of all people of Palau</p>	<p>INDICATOR 1</p> <p>Mandatory Indicator 1: Direct Project beneficiaries</p>	<p>Less than 1%. Population of Palau is not yet realising the benefits of the MPA/PNMS or the DFZ as a result of lack of knowledge and awareness and inadequate human resources</p>	<p>Demographics survey showing strong improvement in understanding and benefit (livelihoods and food security) particularly for women and poorer communities. Indicator 1 and 2 improved by 20%</p>	<p>Approx 2,000 persons (600 women) from tourism sector, fisheries sector,</p>
	<p>INDICATOR 2</p> <p>Mandatory Indicator 2: Indirect Project beneficiaries</p>	<p>Less than 1%</p> <p>As above</p>		<p>100% - Confirmation of overall beneficiaries from the GEF investment in this Project = 20,135 (overall population) with 45% women (9,014)</p>
	<p>INDICATOR 3</p> <p>Core Indicator 2: Marine protected areas created or under improved management for conservation and sustainable use</p>	<p>Less than 2% (950,000 Ha) of area effectively managed. MPA currently having limited to zero effect on improving management and conservation for sustainable use.</p>	<p>80% under improved management. PNMS management and administrative processes fully functional within PICRC (Palau International Coral Reef Center)</p>	<p>80% (47.5 million Hectares) of EEZ under fully effective management as a marine sanctuary and no-take zone</p>
	<p>INDICATOR 4</p> <p>Core Indicator 5: Area of marine habitat under improved practices to benefit biodiversity</p>	<p>Zero % of Domestic Fishing Zone – no management as yet.</p>	<p>20% of Domestic Fishing Zone under formal management and administrative via</p>	<p>20% (11.8 Million Hectares) of EEZ and territorial waters under strict management as a domestic fishery with limited and controlled commercial fishing and exportation</p>
	<p>INDICATOR 5</p> <p>Core Indicator 8: Globally over-exploited marine fisheries moved to more sustainable levels</p>	<p>Approx 2% as above equivalent to 225 tonnes sustainable</p>	<p>Improved by 50% (10,625 tonnes)</p>	<p>21,250 metric tonnes per annum of fishery moved to more sustainable levels</p>

Objective, Components and Outcome	Objective and Outcome Indicators	Baseline	Mid-Term Targets (confirmed by Mid Term Review)	End of Project Targets (confirmed by Terminal Evaluation)
Component 1	Institutional and Governance Realignment for Effective Monitoring and Adaptive Management within the PNMS and adjacent Domestic Fishing Zone			
<p>Outcome 1.1</p> <p>PNMS Institutional, Management and Regulatory Framework and mechanisms strengthened and under Implementation through enhanced national, regional and global support</p>	<p>INDICATOR 6: Extent of effectiveness of PNMS institutional, management and regulatory framework Score: 1. No improvement on the PNMS institutional, management and regulatory framework 2. 50% improvement on the PNMS institutional, management and regulatory framework 3. Fully functional and effective PNMS institutional, management and regulatory framework</p>	<p>Limited control over illegal activities. Only 5-6 interdictions per annum</p> <p>Lack of a current formal institutional base, inadequately defined mandates and responsibilities, and absence of a formally-agreed strategy and work-plan for effective management of the PNMS.</p> <p>Inability to currently fully and effectively control harmful or illegal activities within the PNMS with limited control over illegal activities. Only 5-6 interdictions per annum</p> <p>Baseline Score: 1</p>	<p>PNMS Institutional /Administrative base/headquarters established and functional</p> <p>Mandates and responsibilities of various government bodies clearly defined in adopted Strategic Plan</p> <p>A Strategic Plan finalised and adopted along with an Operations Manual and Terms of Reference</p> <p>Long-term Partnerships identified and formally adopted through a 'Partnership Platform' to provide support for scientific monitoring and MCS (including innovative technologies as per below)</p> <p>MCS Action Plan reviewed and draft revision distributed for stakeholder input (including with regional partners)</p> <p>New fisheries management strategies and regulations are under implementation and actively enforced</p> <p>Mid Term Score Target: 2</p>	<p>Strategic Plan adopted and record of illegal activities within PNMS shows significant reduction by at least 50%</p> <p>TE identifies an effective Partnership Platform supporting ecosystem monitoring as well as enforcement and compliance procedures</p> <p>MCS Action Plan updated, adopted and fully implemented</p> <p>Record of illegal activities within PNMS shows significant reduction by at least 50%</p> <p>Ecosystem-based harvest strategies for at least 3 major commercial species are adopted and implemented within the DFZ and being assessed and acted on as part of an adaptive management approach</p> <p>End of Project Target Score: 3</p>
	<p>INDICATOR 7: Scale of effectiveness in fisheries management and enforcement within the Commercial Fishing Zone and the Artisanal Fishing Zone (11.8 Million Ha)</p>	<p>New regulations that now apply to the Domestic Fishing Zone need enforcement and effective monitoring for compliance</p>	<p>New fisheries management strategies and regulations adopted for the DFZ, under implementation and actively enforced. These management plans will clearly define the purpose of the DFZ as a</p>	<p>Ecosystem-based harvest strategies for at least 3 major commercial species are adopted and implemented within the DFZ and being assessed and acted on as</p>

Objective, Components and Outcome	Objective and Outcome Indicators	Baseline	Mid-Term Targets (confirmed by Mid Term Review)	End of Project Targets (confirmed by Terminal Evaluation)
	Scores: 1. No enforcement and monitoring for compliance 2. 50% enforcement and monitoring for compliance 3. Full enforcement and monitoring for compliance	No current harvesting strategies within DFZ Baseline Score: 1	domestic fishery for the benefit of Palauans with due consideration given to subsistence fisheries versus commercial foreign licensed fisheries and strict control and regulation of the latter A food security assessment made relating to the long-term management of the DFZ with an emphasis on state benefits as well as national community benefits Mid-Term Target Score: 2	part of an adaptive management and food security approach Enforcement partnerships between state level and national level (MoJ, MNRET) established and implemented End of Project Target Score: 3
Outputs to achieve Outcome	1.1.1 A 5-Year Strategic Plan and Road-Map (with monitoring targets and indicators) implemented for effective institutionalization of the PNMS within the agreed management, monitoring and enforcement agencies 1.1.2 A Platform for Partnerships alongside the PNMS to support the activities in the Strategic Plan with an agreed process for delivery of said support 1.1.3 MCS role implemented through closer interaction and linkages with Ministry responsible for enforcement and compliance 1.1.4 A road-map and work-plan for sustainable management within the domestic fishery zone, including the adoption of ecosystem-based harvest strategies 1.1.5 Compliance of PNMS and DFZ with international treaties and conventions and other due processes for consolidating the international status and recognition of the PNMS			
Outcome 1.2 Improved and effective management and governance of PNMS/DFZ through strengthened capacity, skills and knowledge (including at the State, National, regional level as well as NGOs)	INDICATOR 8: Number of staff (disaggregated by males and females) that have undergone training and built capacity on PNMS governance and management	Only 2 technical staff in PNMS with any offshore skills. General shortage of trained and skilled technical and managerial staff to manage the PNMS (no specific programme within the PNMS for capacity building and training) Baseline: 2	At least two Partnership Agreements in place with associated training and capacity building components Mid-term Target: 6 male; 4 female	Minimum of 20 additional trained staff and government/state/community representatives (40% female) and 4 international mentors identified and directly involved in training and long-term support to PNMS and staff End of Project Target: 14 Male; 10 Female
	INDICATOR 9: Extent of capacity building programme established in country on PNMS management & monitoring	No current in-country focused modular training courses supporting capacity-building, training	Best Lessons and Practices captured through modular training courses and offered to in-country technical and managerial personnel and candidates	At least 4 focused training courses/modules on various elements of PNMS management and monitoring (governance, management and/or technical

Objective, Components and Outcome	Objective and Outcome Indicators	Baseline	Mid-Term Targets (confirmed by Mid Term Review)	End of Project Targets (confirmed by Terminal Evaluation)
	<p>Scores:</p> <ol style="list-style-type: none"> 1. No capacity building programme established in country on PNMS management & monitoring 2. 50% capacity building programme implemented in country on PNMS management and monitoring 3. Capacity building programme under full implementation in country on PNMS management & monitoring 	Baseline Score: 1	Mid-Term Target Score: 2	<p>aspects). These delivered at state as well as national government level</p> <p>End of Project Target Score:3</p>
Outputs to achieve Outcome	1.2.1 Implementation and Delivery of a Capacity Building and Training Programme			
Component 2	Enhanced Management through improved Monitoring, Control and Surveillance of Activities within the Established PNMS and DFZ Boundaries			
<p>Outcome 2.1</p> <p>All regulations and laws pertaining to PNMS and DFZ enforced effectively and sustainably In further close collaboration with WCPFC, FFA and PNA</p>	<p>INDICATOR 10:</p> <p>Extent at which Palau's Operations Centre for Monitoring, Control and Surveillance is manned, equipped and coordinating active MCS patrols, interdiction and prosecution</p> <ol style="list-style-type: none"> 1. Non-functional Palau operational centre 2. Partial functional Palau operational centre 3. Full functional Palau operational centre 4. Full functional Palau operational centre supporting 100% increase in offshore patrol and enforcement 	<p>Operations Room and associated equipment and satellite linkages currently not fully functional nor manned on a regular and 24-hour basis.</p> <p>No permanent staff currently available to provide 24-hour manning of Operations Centre or support for patrol vessels</p> <p>Baseline Score: 2</p>	<p>A fully-functional Operations Centre linked into WCPFC/FFA Surveillance Centre in Honiara as well as the Vulcan Operation Center in Seattle which is providing real time information on potential IUU in the PNMS and DFZ</p> <p>Mid-Term Target Score: 3</p>	<p>Six permanent staff associated with the running of the Operations Room supporting 100% increase in offshore patrols (airborne and sea-going)</p> <p>FFA Review of Palau Operational Centre as a demonstration of national-regional MCS interaction and IUU interdiction</p> <p>End-of-Project Target Score: 4</p>
	<p>INDICATOR 11:</p> <p>Extent of effective human electronic monitoring, reporting within the DFZ</p>	<p>No electronic monitoring or reporting requirements. Inadequate current understanding and usage of modern technologies</p>	<p>E-Reporting and E-Monitoring introduced as a requirement on commercial fishing vessels in DFZ</p>	<p>E-reporting and E-monitoring as permanent fixtures on at least 75% of vessels operating in the DFZ</p>

Objective, Components and Outcome	Objective and Outcome Indicators	Baseline	Mid-Term Targets (confirmed by Mid Term Review)	End of Project Targets (confirmed by Terminal Evaluation)
	Scores: 1. No electronic monitoring and reporting 2. 30% of vessels have human and electronic monitoring and are reporting on findings 3. 50% of vessels have human and electronic monitoring and are reporting on findings	to assist with MCS despite their regional availability Baseline Score: 1	as well as FAD monitoring and tracking technologies Mid-Term Target Score: 2	100% of FADs in DFZ with tracking devices End of Project Target Score: 3
Outputs to achieve the Outcome	2.1.1 Full activation and implementation of the MSC Operations Room, staff and equipment with international linkages for better MCS 2.1.2 Implementation of interactive monitoring of EEZ/PNMS through combining satellite information on vessel movements with aerial reconnaissance (drones and patrol aircraft) leading to more effective deployment of patrol vessels 2.1.3 Adoption of innovative technology for monitoring fisheries within Domestic Fishing Zone, including use of E-Monitoring and E-Reporting as appropriate			
Component 3	Ecosystem Assessment and Financial Planning for a Long-term Sustainability Strategy for the PNMS			
Outcome 3.1 Long-term mechanisms to support financial sustainability and security PNMS and its associated administrative and management arrangements are negotiated and identified	INDICATOR 12: Extent of 10 years sustainable funding roadmap for PNMS and DFZ formally adopted integrating ecotourism and livelihoods 1. No adoption by Government on the 10 years sustainable funding roadmap for PNMS and DFZ 2. Draft 10 years sustainable funding roadmap for PNMS and DFZ developed integrating ecotourism and livelihood 3. Finalized and adopted 10 years sustainable funding roadmap for PNMS and DFZ established	Overall lack of awareness of importance of marine ecosystem goods and services to ecotourism and the need to address the carrying capacity for environmentally-sustainable tourism Baseline Score: 1	Formal Economic Assessment and Ecotourism Cost-Benefit Analysis completed and used to define national tourism policy and planning as well as enhancing awareness and ownership by all stakeholders. Careful consideration of the COVID 19 pandemic constraints and predictions to be a major focus of this assessment and analysis. Mid-Term Target Score: 2	A 10-year sustainable funding roadmap for PNMS and DFZ identified by government which prioritises ecotourism and associated livelihoods enrichment and improvement. Where necessary this will need to address the expected impacts from the COVID-19 pandemic and its predicted impacts on sustainable funding sources and reliability while noting that it is expected that tourism would re-open sometime in 2021 when the Project would be expected to be in its first 6-12 months. End of Project Target Score: 3
	INDICATOR 13: Extent of PNA vessel day scheme and sustainable funding programme established	Uncertainty of income/revenues and therefore lack of sustainability of revenue sources to support PNMS	Clear definition of benefits for communities and state-level stakeholders from the overall cost-benefit analysis and tourism policy	Specific revenue allocations from benefits of PNMS and DFZ (including VDS) at the state and community level

Objective, Components and Outcome	Objective and Outcome Indicators	Baseline	Mid-Term Targets (confirmed by Mid Term Review)	End of Project Targets (confirmed by Terminal Evaluation)
	Scores: 1. No PNA vessels day scheme and sustainable funding programme established 2. Negotiations and drafting of PNA vessel day scheme and sustainable funding programme reviewed and adopted 3. Specific revenue allocations from benefits of PNMS and DFZ (including VDS) at the state and community level & maintenance of at least 75% of the previous VDS income to Palau	Baseline Score: 1	Negotiations progressing with PNA over the Vessel Day Scheme allocations for Palau Stakeholder driven Sustainable Funding Programme drafted for formal review and adoption Mid-Term Target Score: 2	Negotiations completed with PNA regarding the Vessel Day Scheme (VDS) to ensure maintenance of at least 75% of the previous VDS income to Palau End-Of Project Target Score: 3
Outputs to achieve the Outcome	3.1.1. Detailed assessment of the economic value of the market and non-market marine ecosystem services within the oceanic jurisdiction of Palau 3.1.2. A sustainable funding road-map negotiated that identifies and confirms cost recovery and financing mechanisms (e.g. from tourism, levies and taxation on fisheries products, etc.)			
Component 4	Improvement of Knowledge Management, communication and awareness outreach coupled with effective Project Monitoring and Evaluation			
Outcome 4.1 Strong stakeholder support for the PNMS and DFZ and associated benefits and fees at the broad stakeholder level including the state, national, and international community	INDICATOR 14: Appropriate Lessons and Best Practices (L&BP) (from other similar GEF projects and other relevant initiatives captured and incorporated into this project as appropriate)	Absence of experience nationally with managing such a large 'no-take' protected area or domestic fisheries management zone and no information on L&BP to fall back on	Report to PNMS Management on lessons and best practices from other initiatives, SIDS and regions (e.g. LMEs) and appropriate BL&P captured through project activities	L&BP captured in 'Operational Guidelines' for PNMS and for DFZ (two documents). TE can clearly identify use of L&BP where appropriate, from other examples within the PNMS project
	INDICATOR 15: Lessons and Best Practices from the project identified and documented and distributed to support a) an effective long-term Communications and Awareness strategy, and b) replication of the project results and achievements in other SIDS/PICTs	Few examples for other Pacific or global SIDS to follow or learn from in the context of managing similar areas within their vast EEZs	Best lessons and practices captured at Mid Term for consideration in MTR A Communications and Awareness Outreach Programme under delivery from early stages of Project Implementation with clear assessment and reporting on its effectiveness	Final best lessons and practices captured in Experience Notes (at least 3) for IW:LEARN and other appropriate bodies (IUCN, WWF, etc.) for distribution Two or more twinning exercises / BL&P workshops within the South Pacific region/SIDS

Objective, Components and Outcome	Objective and Outcome Indicators	Baseline	Mid-Term Targets (confirmed by Mid Term Review)	End of Project Targets (confirmed by Terminal Evaluation)
				At least one global twinning exercise (possibly virtual)
Outputs to achieve Outcome	<p>4.1.1. Lessons and practices from other similar projects and initiatives both within and outside the GEF 'stable' incorporated into project activities and deliverables, along with sharing of information and close cooperation on complementary activities</p> <p>4.1.2. Capture and appropriate distribution of Best Lessons and Practices from the Project in a user-friendly format to support further capacity building and training and to encourage replication and/or scaling up as and where appropriate. This process should link into the Stakeholder Engagement Plan to ensure stakeholder input as well as sharing/ learning. This process will also advise and provide feedback/documentation to IW:LEARN</p> <p>4.1.3. A communications and awareness outreach programme established and delivered that explains the function and benefits derived from the PNMS and DFZ</p>			
Outcome 4.2 Effective Project Management, Monitoring and Evaluation	INDICATOR 16: Project Coordination Unit and Project Management supported by the host organisation(s) with appropriate staffing levels and Monitoring and Evaluation as defined in the Project Document	No current project management base or staffing in support of PNMS institutionalisation No associated M&E Plan	Quarterly and annual (PIR) reporting support effective management and capturing improvements in METT targets	Overall Project Management receives minimum 'Satisfactory' at TE PCU physical structure and staff rolled over into permanent PNMS establishment by end of project
	INDICATOR 17: Stakeholder and Partner Engagement Plan functional within the project	No stakeholder engagement strategy or process for supporting PNMS	Stakeholder Engagement Plan and Road-Map (with budget) finalised as a document and under implementation Partnership Platform engaging directly with Stakeholders	Stakeholder Engagement receives minimum 'Satisfactory' at TE Partnership Platform includes linkage to Stakeholders as a long-term formal agreement
Outputs to achieve Outcome	<p>4.2.1 Project management structure in place, functional and under appropriate monitoring for delivery of the GEF Project Objectives including full use of a formal M&E process</p> <p>4.2.2 Updated stakeholder and partner engagement process/strategy in the project in support of its long-term objectives</p>			

VI. Monitoring and Evaluation

The project results as outlined in the project results framework will be monitored annually and evaluated periodically during project implementation to ensure the project effectively achieves these results. Supported by Component/Outcome Four: Knowledge Management and M&E, the project monitoring and evaluation plan will also facilitate learning and ensure knowledge is shared and widely disseminated to support the scaling up and replication of project results.

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP²⁰ and UNDP Evaluation Policy. While these UNDP requirements are not outlined in this project document, the UNDP Country Office will work with the relevant project stakeholders to ensure UNDP M&E requirements are met in a timely fashion and to high quality standards. Additional mandatory GEF-specific M&E requirements (as outlined below) will be undertaken in accordance with the GEF M&E policy and other relevant GEF policies²¹.

In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report. This will include the exact role of project target groups and other stakeholders in project M&E activities including the GEF Operational Focal Point and national/regional institutes assigned to undertake project monitoring. The GEF Operational Focal Point will strive to ensure consistency in the approach taken to the GEF-specific M&E requirements (notably the GEF Tracking Tools) across all GEF-financed projects in the country. This could be achieved for example by using one national institute to complete the GEF Tracking Tools for all GEF-financed projects in the country, including projects supported by other GEF Agencies²².

Additional GEF monitoring and reporting requirement:

Inception Workshop and Report: A project inception workshop will be held within two months after the project document has been signed by all relevant parties to, amongst others:

- Re-orient project stakeholders to the project strategy and discuss any changes in the overall context that influence project strategy and implementation;
- Specifically, to re-orient the Project in relation to the current status of risk and response to the COVID 19 pandemic and the adoption of any required strategies during project implementation to address this risk
- Discuss the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms;
- Review the results framework and finalize the indicators, means of verification and monitoring plan;
- Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP in M&E;
- Update and review responsibilities for monitoring the various project plans and strategies, including the risk log; Environmental and Social Management Plan and other safeguard requirements; the gender strategy; the knowledge management strategy, COVID19 pandemic response and other relevant strategies;

²⁰ See <https://popp.undp.org/SitePages/POPPRoot.aspx>

²¹ https://www.thegef.org/gef/policies_guidelines

²² https://www.thegef.org/gef/gef_agencies

- In particular, to ensure that the UNDP Social and Environmental Standards for Standard 6 on Indigenous Peoples are met, the Inception Workshop will also include an FPIC review and assessment undertaken by a specialist consultant. Based on this review and assessment, a decision will be made by those affected and by the workshop as to whether a more detailed FPIC process is required to ensure overall consent and agreement and whether an Indigenous People's Plan (IPP) is also a project requirement. If it is decided that an FPIC process is required, a stakeholder consultation and validation exercise will be initiated in order to define the parameters of the FPIC process. The FPIC assessment process will be launched as early as possible, but definitely before any activities predicated on the granting of FPIC are initiated by the project and such activities would be placed on hold until the outcomes of the FPIC process are validated and any required mitigation measures are in place. Any subsequent consent required would need to be based on an objective view of the main activities of concern and to cover both the positive and negative potential of project activities, and the associated consequences of giving or withholding consent.
- Review financial reporting procedures and mandatory requirements, and agree on the arrangements for the annual audit; and
- Plan and schedule PSC meetings and finalize the first-year annual work plan. The first PSC meeting should be consecutive with and immediately after the Inception Workshop

The Project Manager will prepare the inception report no later than one month after the inception workshop. The inception report will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser and will be approved by the Project Steering Committee.

Project Induction Training Workshop: Coinciding with the Inception Workshop. The induction workshop will raise awareness on basic UNDP operational requirements and processes i.e. including finances, human resources and procurement

GEF Project Implementation Report (PIR): The Project Manager, the UNDP Country Office, and the UNDP-GEF Regional Technical Advisor will provide objective input to the annual GEF PIR covering the reporting period July (previous year) to June (current year) for each year of project implementation. The Project Manager will ensure that the indicators included in the project results framework, are monitored annually in advance of the PIR submission deadline so that progress can be reported in the PIR. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR, with specific attention being focused on any constraints, challenges or changes required as a result of the COVID 19 pandemic.

The PIR submitted to the GEF will be shared with the Project Steering Committee. The UNDP Country Office will coordinate the input of the GEF Operational Focal Point and other stakeholders to the PIR as appropriate. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.

Lessons learned and knowledge generation: Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums as defined in Component 4 under Knowledge Management. 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 the project. The project will identify, analyse and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous information exchange between this project and other projects of similar focus in the same country, region and globally.

GEF Focal Area Tracking Tools: The GEF 7 Biodiversity Protected Areas Tracking Tool will be used to track specific delivery on the overall Objective as agreed with the UNDP-GEF Regional Technical Advisor. The baseline/CEO Endorsement GEF Focal Area Tracking Tool (METT - submitted as Annex 10 to this project

document) will be updated by the Project Manager/Team (not the evaluation consultants hired to undertake the terminal evaluation) and shared with the mid-term review consultants and terminal evaluation consultants before the required review/evaluation missions take place. The updated GEF Tracking Tool will be submitted to the GEF along with the completed Terminal Evaluation report.

Risk Tracking: Annex 4 defines the principle risks to achieving the Project's objectives. These will be assessed and revised on an annual basis alongside the PIR process with a view to identifying any amendments or additions to the Project's activities that may be required to further reduce such risks. And such amendments or additions would be reviewed by the Steering Committee for approval.

Mid-Term Review (MTR): An independent Mid-Term Review process will take place between the 18th and 22nd Month of this 48-month Project. Although such an MTR is not compulsory for Medium Sized projects, this Project is relatively unique and would benefit from such a review to allow for any appropriate corrective actions during its second half and to ensure full delivery of Outputs and Outcomes. The MTR findings and responses outlined in the management response will be incorporated as recommendations for enhanced implementation during the final half of the project's duration. The terms of reference, the review process and the MTR report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Center (ERC). As noted in this guidance, the evaluation will be 'independent, impartial and rigorous'. The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF Operational Focal Point and other stakeholders will be involved and consulted. Additional quality assurance support is available from the UNDP-GEF Directorate. The final MTR report will be available in English and will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Advisor and approved by the Project Steering Committee.

Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terminal evaluation process will begin at least 5 months before operational closure of the project allowing the evaluation mission to proceed while the project team is still in place, yet ensuring the project is close enough to completion for the evaluation team to reach conclusions on key aspects such as project sustainability. The Project Manager will remain on contract until the TE report and management response have been finalized. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects. also available on the UNDP Evaluation Resource Center²³. As noted in this guidance, the evaluation will be 'independent, impartial and rigorous'. The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF Operational Focal Point and other stakeholders will be involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the UNDP-GEF Directorate. The final TE report will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Advisor and will be approved by the Project Steering Committee. The TE report will be publicly available in English on the UNDP ERC.

The UNDP Country Office will include the planned project terminal evaluation in the UNDP Country Office evaluation plan and will upload the final terminal evaluation report in English and the corresponding management response to the UNDP Evaluation Resource Centre (ERC). Once uploaded to the ERC, the UNDP IEO will undertake a quality assessment and validate the findings and ratings in the TE report and rate the quality of the TE report. The UNDP IEO assessment report will be sent to the GEF IEO along with the project terminal evaluation report.

²³ <https://erc.undp.org/>

Final Report: The project's terminal PIR along with the TE report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Steering Committee during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

Table 4: Mandatory GEF M&E Requirements and M&E Budget:

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget (US\$)		Time frame
		GEF grant	Co-financing	
Inception Workshop	UNDP Country Office	USD 3,500	USD 3,500	Within 60 days of CEO endorsement of this project.
Inception Report	Project Manager	None	None	Within 90 days of CEO endorsement of this project.
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP	UNDP Country Office	None	None	Annually prior to GEF PIR. This will include GEF core indicators.
Monitoring of indicators in project results framework	M&E Expert	USD 15,000	USD 5,000	Annually
GEF Project Implementation Report (PIR)	Project Manager and UNDP Country Office and UNDP-GEF team	None	None	Annually typically between June-August
Lessons learned and knowledge generation	Project Communications/ Knowledge Management Expert Project Manager	None (covered by this position within Component 4)	USD 5,000	Annually
Monitoring all risks (UNDP risk register)	UNDP Country Office	None	Monitoring all risks (UNDP risk register)	UNDP Country Office
Monitoring of environmental and social risks, and corresponding management plans as relevant	Project Manager UNDP CO	None	USD 17,500 (Includes time of Gender Expert covered by UNDP)	On-going
Monitoring of stakeholder engagement plan	Project Stakeholder Engagement Officer	Add as per plan	On-going.	Monitoring of stakeholder engagement plan
Monitoring of gender action plan	Project Gender Officer	Add as per plan	On-going.	Monitoring of gender action plan
Project Steering Committee meetings	Project Steering Committee UNDP Country Office Project Manager	USD 9,000 (USD 1,500 per meeting)	USD 9,000 (USD 1,500 per meeting)	Every 6 months
Supervision missions	UNDP Country Office	None	None	Annually
Oversight missions	UNDP-GEF team	None	None	Troubleshooting as needed

Knowledge management as outlined in Outcome 4	Communications/ Knowledge Management Expert Project Manager	USD 10,000	USD 5,000	On-going
GEF Secretariat learning missions/site visits	UNDP Country Office and Project Manager and UNDP-GEF team	None	None	To be determined
Update Terminal GEF Tracking Tool	Project Manager	USD 2,500	USD 2,500	Before Mid-Term Review and Terminal Evaluation mission
Mid-Term Review	Independent Mid-Term Reviewer	USD 20,000	USD \$5,000	Between 18 and 22 months into Project
Independent Terminal Evaluation (TE) included in UNDP evaluation plan	Independent Terminal Evaluator	USD 25,000	USD 10,000	At least 5 months before operational closure
TOTAL indicative COST Excluding project team staff time, and UNDP staff and travel expenses		USD 85,000	USD 62,500	TOTAL indicative COST

VII. Governance and Management Arrangements

Roles and responsibilities of the project's governance mechanism: The project will be implemented following UNDP's national implementation modality, according to the Standard Basic Assistance Agreement between UNDP and the Government of Palau and the UNDP Country Programme based on the United Nations Development Assistance Framework (UNDAF).

The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document. The Implementing Partner for this project is the Palau International Coral Reef Center (PICRC). The Implementing Partner, with support from the Project Coordination Unit, is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of UNDP resources and matching funds. Will also have responsibility for coordinating the management of the project budget, in close consultation with the Project Steering Committee that has to approve the annual work plan and resources allocated on a yearly basis, including the components executed by partners and consultants/subcontractors. The Implementing Partner will report to the Project Steering Committee and under the guidance of the Project Steering Committee will ensure that the project planning, review, monitoring, evaluation, and all other reports are completed in a timely manner, that coordination among the various partners is effective and project activities are completed in a timely manner.

Project Board: The Project Board (also called Project Steering Committee) is responsible for taking corrective action as needed to ensure the project achieves the desired results. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with 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 UNDP Resident

Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

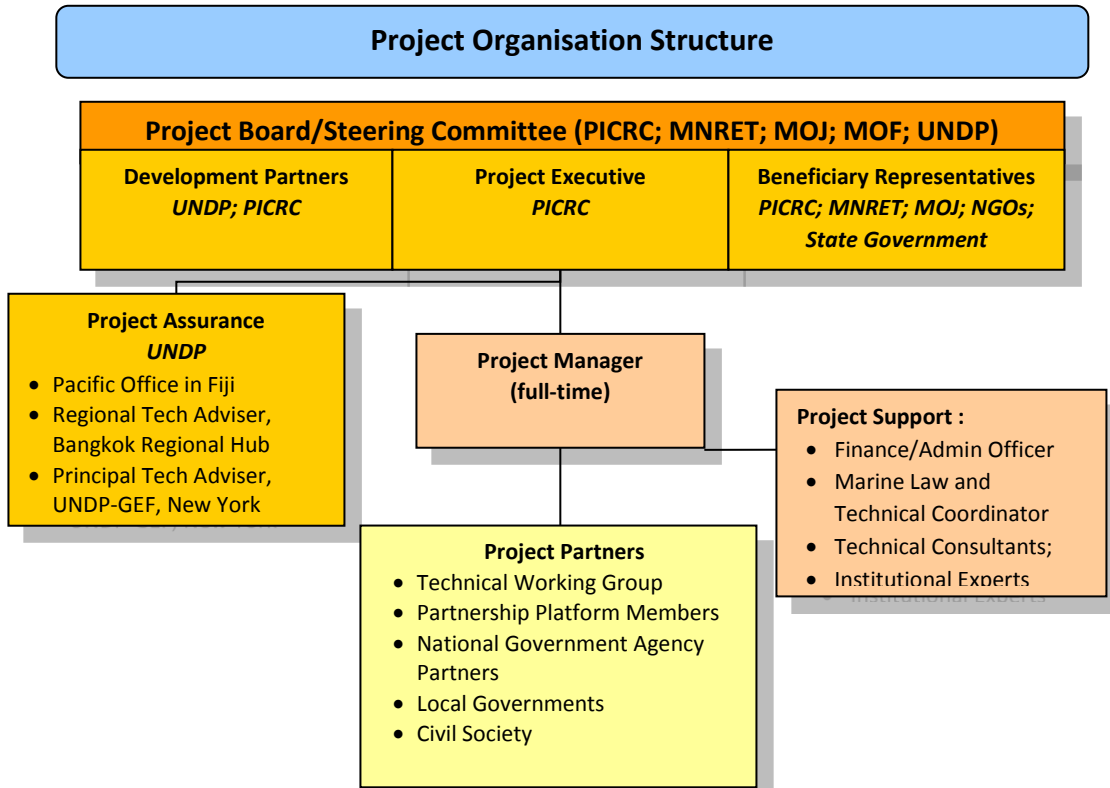


Figure 4: Project Organisational Structure

Specific responsibilities of the Project Board include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the Project Manager;
- Provide guidance on new project risks, and agree on possible mitigation and management actions to address specific risks; In particular, provide guidance and instruction on implementation activities in relation to COVID 19 taking into account government directives as well as UN advice at <https://www.un.org/en/coronavirus/UN-response> in order to reduce health risks to project staff and stakeholders.
- Agree on Project Manager's tolerances as required, within the parameters set by UNDP-GEF, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP-GEF;
- Ensure coordination between various donor and government-funded projects and programmes;
- Ensure coordination with various government agencies and their participation in project activities;
- Track and monitor co-financing for this project;
- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;

- Review combined delivery reports prior to certification by the implementing partner;
- Provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Address project-level grievances;
- Approve the project Inception Report, Mid-term Review and Terminal Evaluation reports and corresponding management responses;
- Review the final project report package during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

The composition of the Project Board must include the following roles:

Project Director (also called Executive): Is an individual who represents ownership of the project and chairs the Project Board. The Director is normally the national counterpart for nationally implemented projects. The Director is: Dr Yimnang Golbuu, Chief Executive Officer, Palau International Coral Reef Center (PICRC).

Beneficiary Representative(s): Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often civil society representative(s) can fulfil this role. The Beneficiary representatives are: Ms. Bola Majekobaje, Executive Director, Palau Conservation Society, Honorable Arnold Oilouch, Vice President and Minister, Ministry of Justice, Honorable F. Umiich Sengebau, Minister, Ministry of Natural Resources, Environment and Tourism, Mr Temmy Shmull, Chair, Governors' Association.

Development Partner(s): Individuals or groups representing the interests of the parties concerned that provide funding and/or technical expertise to the project. The Development Partner(s) is Dr Yimnang Golbuu, Chief Executive Officer, PICRC

Project Manager: The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Project Board. The Implementing Partner appoints the Project Manager, who must be different from the Implementing Partner's representative in the Project Board. The Project Manager will remain on contract until the Terminal Evaluation report and the corresponding management response have been finalized and the required tasks for operational closure and transfer of assets are fully completed.

The Project Manager's primary 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 Project Manager will inform the Project Board and the Project Assurance roles of any delays or difficulties as they arise during implementation so that appropriate support and corrective measures can be adopted.

Specific responsibilities include:

- Manage the overall conduct of the project.
- Plan the activities of the project and monitor progress against the approved workplan.
- Execute activities by managing personnel, goods and services, training and low-value grants, including drafting terms of reference and work specifications, and overseeing all contractors' work.
- Monitor events as determined in the project monitoring plan, and update the plan as required.
- Provide support for completion of assessments required by UNDP, spot checks and audits.
- Manage requests for the provision of UNDP financial resources through funding advances, direct payments or reimbursement using the FACE form.
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports.
- Monitor progress, watch for plan deviations and make course corrections when needed within project board-agreed tolerances to achieve results.

- Ensure that changes are controlled and problems addressed.
- Perform regular progress reporting to the project board as agreed with the board, including measures to address challenges and opportunities.
- Prepare and submit financial reports to UNDP on a quarterly basis.
- Manage and monitor the project risks – including social and environmental risks - initially identified and submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log; Specific attention will be given to monitoring any risk from COVID-19 transmittal and infection as per government directives and UN evolving advice and guidance.
- Capture lessons learned during project implementation.
- Prepare revisions to the multi-year workplan, as needed, as well as annual and quarterly plans if required.
- Prepare the inception report no later than one month after the inception workshop.
- Ensure that the indicators included in the project results framework are monitored annually in advance of the GEF PIR submission deadline so that progress can be reported in the GEF PIR.
- Prepare the GEF PIR;
- Assess major and minor amendments to the project within the parameters set by UNDP-GEF;
- Monitor implementation plans including the gender action plan, stakeholder engagement plan, and any environmental and social management plans;
- Monitor and track progress against the GEF Core indicators.
- Support the Mid-term review and Terminal Evaluation process.

The Project will support the hiring of the Project Manager as well as a Marine Law and Technical Coordinator with the intention of sustaining these positions beyond the lifetime of the Project through independent funding. PICR will provide the necessary financial and administrative staff and support for the Project as an in-kind contribution.

Project Assurance: UNDP provides a three – tier oversight services involving UNDP staff in Country Offices and at regional and headquarters levels. UNDP performs the project assurance function in the project organization structure. Project assurance is totally independent of the Project Management function. The quality assurance role supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. This project oversight and quality assurance role is covered by the GEF Agency Fee.

Governance role for project target groups: Subcommittees or governance structures already in place in the Districts/States will be conformed or used to ensure local participation in the decision-making process and implementation of activities. These structures will be integrated by several stakeholders representing interest groups in fisheries, tourism and conservation. The multi-stakeholder structure will include the participation of grassroots organizations, non-governmental organizations, private sector, and local authorities, among others.

Agreement on intellectual property rights and use of logo on the project’s deliverables and disclosure of information: In order to accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy²⁴ and the GEF policy on public involvement²⁵.

²⁴ See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/

²⁵ See https://www.thegef.org/gef/policies_guidelines

Project Management: The PCU will be located in Rokor, Palau and housed in the Offices of the Palau International Center for Coral Research, The PCU will be made up of the Project Manager, a Finance/Admin Officer, a Project Assistant, a Marine Law Expert, Technical Consultants and a Technical Advisor (as required). Technical support will include input from a Gender Expert, a Communications Expert, and a M&E Expert from UNDP. Other technical expertise will be hired during the project lifetime on a temporary/consultancy basis.

Technical Support and Working Group: The PCU and the Project Stakeholders will establish a Technical Working Group to guide the Project in its various deliverables throughout the Project lifetime. The members of this group would be predominantly experts within Palau but external regional or international expertise may be invited to join as deemed appropriate.

Short-term constraints on travel and group gatherings will be considered in project planning and implementation, and on-line or remote learning and communication options will be used where necessary, with any appropriate or necessary adjustments to ensure equal opportunity to all beneficiaries. Longer-term economic impacts will be analyzed where relevant and factored into efforts to finance the continued implementation of the Project, and monitoring activities following the conclusion of the project.

VIII. Financial Planning and Management

The total cost of the project is *USD 19,076,484*. This is financed through a GEF grant of *USD 1,826,484* and *USD 17,250,000* in other co-financing. This will be spread across a project lifetime of 4 years, thus representing an average annual support funding for Strengthening the Palau National Marine Sanctuary of approximately \$4.8 million.

The GEF component of \$1.83 million represents a substantial part of Palau's STAR Allocation, the rest of which has already been allocated. In this context the GEF funding request has been kept relatively modestly whilst the bulk of the science, research, monitoring and enforcement activities will be supported through co-financing partners. The GEF funds will be focused on i) Development and Adoption of a 4-year Strategic Management Plan for the PNMS, ii) Establishment of the Domestic Fishing Zone to secure food and livelihoods, iii) Capacity Building, Training and Mentoring for PNMS staff, iv) establishing a Platform for Partnerships and Stakeholders (which will expand the support to the PNMS and aim to make the entire process that the Project will structure and implement a sustainable one), v) support to the administrative functioning of the Operations/Surveillance Room, vi) Capture of Best Lessons and Practices. The GEF component will also support a Project Manager.

Co-financing was identified through various stakeholder workshops during preparation of the Project and through direct interaction with the co-financing bodies during project development. The co-financing figure includes significant contributions by way of 'grant' monies.

Global Oceans: \$5 Million. This body was created to enable collaboration and promote achievable scientific research in the world's oceans in support of better ocean management and governance. Global Oceans is partnering with Palau on set of surveys within Palau's EEZ. These will fulfil two important functions. A. to survey a series of five important seamount ecosystems along the Palau Kyushu Ridge within Palau's EEZ and B. to increase knowledge of the deeper offshore ecosystems that exist within the Palau National Marine Sanctuary. Global Oceans is providing a fully-equipped scientific research vessel that will, among other research priorities, establish a series of oceanographic transits as repeatable monitoring stations in selected areas of the EEZ that will form the basis of a long-term monitoring programme as required to support the UNDP GEF Project. Global Oceans has also agreed to work closely with the PNMS in order to build capacity and train local scientists in relevant scientific monitoring and analysis methodologies. This funding represents Investment Mobilized

and is actual funds allocated by the Global Oceans through their Global Seamounts Project after discussion and negotiation with UNDP and PICRC. It does not represent the allocation of recurrent expenditures. The appropriate Letter of Confirmation is included in the relevant Annex.

Division of Marine Law Enforcement - Ministry of Justice: \$10 million. DMLE is the formally designated government body responsible for enforcement and compliance of the PNMS regulations. This figure represents both Grant and In-Kind contributions. The Grant contribution represents the bulk of this co-financing at \$9.2 million by way of equipment, ship's time, fuel, navigation equipment, and other surveillance and monitoring assets including drone and aircraft patrols. Much of this financing is third-party through the DMLE and comes from international bodies and countries which are supporting the monitoring, enforcement and compliance within the PNMS. This represents a 'concrete' and solid contribution to the MCS process necessary to protect and conserve the ecosystem, its biodiversity and its migratory fish stocks. Other in-kind inputs from DMLE amount to some \$800,000 and include staff time and physical facilities such as buildings and vehicles. The appropriate Letter of Confirmation is included in the relevant Annex.

Palau Conservation Society: \$100,000. This represents fisheries monitoring work and staff time from the PSC over the 4 year lifetime of the project. The PCS will also be managing the visitor tax for Palau which will help to support admin and institutional functions for PNMS. The appropriate Letter of Confirmation is included in the relevant Annex.

Palau International Coral Reef Center: \$2 million PICRC has been formally designated by Executive Order as the administrative and management institution for PNMS (with DMLE providing official support for enforcement and compliance). This co-financing amount represents staff contribution (time) and the use of office and scientific facilities and equipment over the 4-year lifetime of the project. It includes the cost of work that PICRC is undertaking to develop and implement the science and monitoring plan for the PNMS and for research related to the PNMS. The appropriate Letter of Confirmation is included in the relevant Annex.

Ministry of Natural Resources, Environment and Fisheries: \$150,000. This represents a commitment from the Ministry to use funds to further their efforts in effectively managing the marine resources in the PNMS and the DFZ (Domestic Fishing Zone) and to ensure that this management process supports food security for Palau for the benefit of local communities. The MNRET runs a tuna program and the funding will be allocated from this program. This funding represents Investment Mobilized and is actual funds allocated by the Tuna Program after agreement with PICRC and UNDP. It does not represent the allocation of recurrent expenditures. The appropriate Letter of Confirmation is included in the relevant Annex.

UNDP, as the GEF Implementing Agency, is responsible for the oversight of the GEF resources and any cash co-financing transferred to UNDP bank account only.

Confirmed Co-financing: The actual realization of project co-financing will be monitored during the lifetime of the project and at the terminal evaluation process and will be reported to the GEF. Co-financing will be used for the following project activities/outputs:

Co-financing source	Co-financing type	Co-financing amount	Planned Activities/Outputs	Risks	Risk Mitigation Measures
PICRC	In-kind	\$2,000,000	Project management, office space, infrastructure, seconded staff, etc...)	PNMS under different authority	Executive Order establishing PICRC

Government – Ministry of Natural Resources, Environment and Fisheries	Grant	\$150,000	Support to establishment and management of Domestic Fishery Zone	DFZ not established	Executive Order establishing DFZ
Government – Ministry of Justice/ Department of Marine Law Enforcement	Grant In kind	\$9,200,000 \$800,000	Support costs for Marine Law Enforcement Office and Operations Room, vehicles and Patrol vessels(s)	Office and equipment not available	Already in place and part of Executive Order
PCS	In-kind	\$100,000	Visitor tax to support admin and institutional functions for PNMS	Reduced visitor numbers as a result of COVID 19	This Visitor Tax is written into Palauan Law and is therefore compulsory. The main risk would be from reduced visitor numbers. With the introduction of effective vaccines around the world toward the end of 2020 the Palauan Government expect visitor numbers to bounce back and possibly even improve as of mid-to third to final quarter of 2021
Global Oceans/Global Seamount Project	Grant	\$5,000,000	Scientific Research for Monitoring purposes within PNMS.	Pending a project proposal and budget	Funding Commitment is confirmed based on this
Total Co-Financing		\$17,250,000			

Table 5: Co-Financing Sources and Amounts

N.B. The bulk of the co-financing has been raised to cover items/areas that are not eligible for GEF funding e.g. scientific research and studies to support ecosystems monitoring; policing and law enforcement. GEF funding support will focus on long-term institutional establishment and sustainability, knowledge management and awareness/ownership building.

The initial stages of the COVID-19 pandemic in the first half of 2020 have seen the greatest disruption of financial markets and currencies in recent decades. Generally, this has strengthened the USD against local currencies, but with exchange rates extremely dynamic as of July 2020, adding uncertainty to the budgeting of activities. There is a significant risk of global economic recession impacting national economies, including co-financing commitments for project implementation. The budget will be reviewed during project inception and any necessary measures taken to address any shortfalls due to exchange rate fluctuations between the GEF approved budget and project start up. Annual budget reviews should track and respond to subsequent fluctuations. Changes in the scope or timing of planned activities may be necessary through workplan adjustments. The Project Steering Committee should monitor and address significant financial constraints arising due to both exchange rate fluctuations and any delays or failures in co-financing delivery.

Budget Revision and Tolerance: As per UNDP requirements outlined in the UNDP POPP, the Project Steering Committee (PSC) will agree on a budget tolerance level for each plan under the overall annual work plan allowing the project manager to expend up to the tolerance level beyond the approved project budget amount

for the year without requiring a revision from the PSC . Should the following deviations occur, the Project Manager and UNDP Country Office will seek the approval of the UNDP-GEF team to ensure accurate reporting to the GEF: a) Budget re-allocations among components in the project with amounts involving 10% of the total project grant or more; b) Introduction of new budget items/or components that exceed 5% of original GEF allocation. Any over expenditure incurred beyond the available GEF grant amount will be absorbed by non-GEF resources (e.g. UNDP TRAC or cash co-financing).

Audit: The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. Audit cycle and process must be discussed during the Inception workshop. If the Implementing Partner is an UN Agency, the project will be audited according to that Agencies applicable audit policies.

Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP. All costs incurred to close the project must be included in the project closure budget and reported as final project commitments presented to the Project Board during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget.

Project extensions: The UNDP-GEF Executive Coordinator must approve all project extension requests. Note that all extensions incur costs and the GEF project budget cannot be increased. A single extension may be granted on an exceptional basis and only if the following conditions are met: one extension only for a project for a maximum of six months; the project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs will be covered by non-GEF resources; the UNDP Country Office oversight costs during the extension period must be covered by non-GEF resources.

Operational Completion: The project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities have been completed. This includes the final clearance of the Terminal Evaluation Report (that will be available in English) and the corresponding management response, and the end-of-project review PSC meeting. Operational closure must happen with 3 months of posting the TE report to the UNDP ERC. The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. At this time, the relevant parties will have already agreed and confirmed in writing on the arrangements for the disposal of any equipment that is still the property of UNDP.

Transfer or Disposal of Assets: In consultation with the Implementing Partner and other parties of the project, UNDP is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the project board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project. In all cases of transfer, a transfer document must be prepared and kept on file . The transfer should be done before Project Management Unit (team) complete their assignments.

Financial Completion (closure): The project will be financially closed when the following conditions have been met: a) the project is operationally completed or has been cancelled; b) the Implementing Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).

The project will be financially completed within 6 months of operational closure or after the date of cancellation. Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to the UNDP-GEF Unit for confirmation before the project will be financially closed in Atlas by the UNDP Country Office.

Refund to GEF: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the UNDP-GEF Directorate in New York. No action is required at CO level on the actual refund from UNDP project to the GEF Trustee.

IX. Total Budget and Work Plan

Table 6: Total Budget and Work-Plan - See Annex 2 for the Multi-Year Work-Plan

Total Budget and Work Plan			
Atlas Award ID:	00119066	Atlas Output Project ID:	00115622
Atlas Proposal or Award Title:	Strengthening the Palau National Marine Sanctuary for the Conservation and Management of Global Marine Biodiversity and Sustainable Fisheries		
Atlas Business Unit	FJI10		
Atlas Primary Output Project Title	Strengthening the Palau National Marine Sanctuary for the Conservation and Management of Global Marine Biodiversity and Sustainable Fisheries		
UNDP-GEF PIMS No.	6418		
Implementing Partner	Palau International Coral Reef Center		

GEF Component/Atlas Activity	Responsible Party/	Fund ID	Donor Name	Atlas Budget Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Total (USD)	See Budget Note:
	(Atlas Implementing Agent)										
COMPONENT 1: INSTITUTIONAL & GOVERNANCE REALIGNMENT FOR EFFECTIVE MONITORING AND ADAPTIVE MANAGEMENT IN THE PNMS	PICRC	62000	GEF TF	71200	International Consultants	\$75,000	\$73,750	\$60,000	\$35,000	\$243,750	1
				71300	Local Consultants	\$15,000	\$20,000	\$30,000	\$20,000	\$85,000	2
				71800	Contractual Services – Implementing Partner	\$35,000	\$34,000	\$30,000	\$30,000	\$129,000	3
				71600	Travel	\$17,000	\$19,000	\$18,000	\$13,000	\$67,000	4
				72100	Contractual services (Companies)	\$35,000	\$58,100	\$66,500	\$40,000	\$199,600	5
					sub-total GEF	\$177,000	\$204,850	\$204,500	\$138,000	\$724,350	
					Total Outcome 1	\$177,000	\$204,850	\$204,500	\$138,000	\$724,350	

COMPONENT 2: ENHANCED MONITORING, CONTROL AND SURVEILLANCE WITHIN THE ESTABLISHED PNMS BOUNDARIES	PICRC	62000	GEF TF	71200	International Consultants	\$0	\$26,000	\$25,000	\$20,000	\$71,000	6
				71300	Local Consultants	\$0	\$12,000	\$10,000	\$14,250	\$36,250	7
				71800	Contractual Services – Implementing Partner	\$11,400	\$19,950	\$14,250	\$11,400	\$57,000	8
				71600	Travel	\$3,000	\$5,250	\$3,750	\$3,000	\$15,000	9
				72100	Contractual services (Companies)	\$19,000	\$28,500	\$20,500	\$16,000	\$84,000	10
				72200	Equipment and Furniture	\$8,000	\$8,500	\$8,000	\$7,000	\$31,500	11
				72300	Materials and Goods	\$4,800	\$5,400	\$5,000	\$4,800	\$20,000	12
				72400	Comms and Audio Visual Equip	\$1,600	\$2,800	\$2,000	\$1,600	\$8,000	13
				72500	Office Supplies	\$2,200	\$3,850	\$2,750	\$2,200	\$11,000	14
				72800	Info Tech. Equipment	\$13,000	\$20,000	\$15,000	\$12,000	\$60,000	15
				72300	Materials and Goods	\$1,000	\$1,750	\$1,250	\$1,000	\$5,000	16
					sub-total GEF	\$64,000	\$134,000	\$107,500	\$93,250	\$398,750	
					Total Outcome 2	\$64,000	\$134,000	\$107,500	\$93,250	\$398,750	
COMPONENT 3: ECOSYSTEM ASSESSMENT AND SUSTAINABILITY PLANNING FOR A LONG-TERM BLUE ECONOMY STRATEGY	PICRC	62000	GEF TF	71200	International Consultants	\$18,200	\$21,850	\$18,750	\$18,200	\$77,000	17
				71300	Local Consultants	\$7,500	\$8,000	\$10,000	\$10,000	\$35,500	18
				71600	Travel	\$7,600	\$13,300	\$9,500	\$7,600	\$38,000	19
				72100	Contractual services (Companies)	\$16,400	\$28,700	\$20,500	\$16,400	\$82,000	20

				72500	Office Supplies	\$600	\$1,050	\$750	\$600	\$3,000	21
				73300	Rental & Maint of Info Tech Eq	\$1,600	\$2,800	\$2,000	\$1,600	\$8,000	22
				74200	Audio Visual & Print Prod Costs	\$4,800	\$8,400	\$6,000	\$4,800	\$24,000	23
				74500	Miscellaneous Expenses	\$800	\$1,400	\$1,000	\$800	\$4,000	24
					sub-total GEF	\$57,500	\$85,500	\$68,500	\$60,000	\$271,500	
					Total Outcome 3	\$57,500	\$85,500	\$68,500	\$60,000	\$271,500	
COMPONENT 4: KNOWLEDGE MANAGEMENT, PROJECT MONITORING AND EVALUATION	PICRC	62000	GEF TF	71200	International Consultants	\$0	\$20,000	\$0	\$25,000	\$45,000	25
				71300	Local Consultants	\$9,250	\$12,000	\$10,000	\$9,000	\$40,250	26
				71600	Travel	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000	27
				72100	Contractual services (Companies)	\$15,000	\$32,000	\$28,000	\$21,000	\$96,000	28
				72200	Equipment and Furniture	\$2,000	\$3,750	\$3,000	\$2,000	\$10,750	29
				72300	Materials and Goods	\$1,600	\$2,800	\$2,000	\$1,600	\$8,000	30
				72500	Office Supplies	\$1,350	\$2,362	\$1,688	\$1,350	\$6,750	31
				74200	Audio Visual & Print Prod Costs	\$4,000	\$6,000	\$5,000	\$5,000	\$20,000	32
					sub-total GEF	\$43,200	\$88,912	\$59,688	\$74,950	\$266,750	
					Total Outcome 4	\$43,200	\$88,912	\$59,688	\$74,950	\$266,750	
	PICRC	62000		71600	Travel	\$2,000	\$2,000	\$2,000	\$2,000	\$8,000	33

Project Management Unit Costs			GEF TF	71800	Contractual Services Implementing Partner	-	\$27,500	\$27,500	\$27,500	\$27,500	\$110,000	34
				72200	Equipment and Furniture		\$500	\$500	\$500	\$500	\$2,000	35
				72400	Comms and Audio Visual Equip		\$300	\$525	\$375	\$300	\$1,500	36
				72500	Supplies		\$434	\$525	\$375	\$300	\$1,634	37
				73200	Premises Alterations		\$400	\$700	\$500	\$400	\$2,000	38
				74100	Professional Services t		\$10,000	\$10,000	\$10,000	\$10,000	\$40,000	39
					sub-total GEF		\$41,134	\$41,750	\$41,250	\$41,000	\$165,134	
					Total PMU		\$41,134	\$41,750	\$41,250	\$41,000	\$165,134	
				ANNUAL AND PROJECT TOTAL		\$382,834	\$555,012	\$481,438	\$407,200	\$1,826,484		

Summary of Funds:

	Amount Year 1	Amount Year 2	Amount Year 3	Amount Year 4	Total
GEF	\$382,834	\$555,012	\$481,438	\$407,200	\$1,826,484
Government	2,537,500	2,537,500	2,537,500	2,537,500	\$10,150,000
Other donors (PICRC, PCS, Global Oceans)	1,775,000	1,775,000	1,775,000	1,775,000	\$7,100,000
TOTAL	\$4,695,334	\$4,867,512	\$4,793,938	\$4,719,700	\$19,076,484

Note No:	Budget Note Description
1	Consultants for Review of Targets and 5 year plan (\$20,000), International Consultants – Marine Technical Advisor to provide technical advice on governance/management measures/management (\$100,000) and for development of the 5 year Strategic Plan targets and indicators and institutionalisation (\$55,250); support for international expertise for Mentoring Programmes (approx. 50 days per year at \$650 = \$32,500); for International Treaties and Designation of WHS/PSSA as well as UNCLOS issues (\$36,000)
2	Local consultant for review of targets and 5 year plan (\$10,750), as a legal consultant, to develop closer interaction with local domestic fishing community and DMZ road-map and work-plan (60 days @ \$450 = \$27,000); Local Fisheries Consultant (50 days @ \$450 = \$22,500); Local Legal Consultant (45 days @ \$550 per day = \$24,750)
3	Capacity Building and Training Coordination \$700 @ 120 days (\$84,000) and development/implementation of a management training module (\$45,000)
4	Travel costs to attend overseas training (flights and DSA \$30,000), attendance at meetings/conferences to promote partnerships and alliance (\$14,000); other Travel to and from Palau and DSA in-country and international (\$23,000)
5	Platform for Partnerships Stakeholder Workshops \$8,000 x 5 (40,000); in-Country Training workshops and courses= 4 training workshops of approximately 1 weeks duration @ 8,000 per week (\$32,000); CB&T Stakeholder Workshops x 3 @ \$10,000 per workshop (\$30,000); Partnership Consultation Workshops x 3 @ \$8000 per workshop (\$24,000); Stakeholder workshops for MCS x 3 @ \$8,000 (\$24,000); Stakeholder Workshops for Regulation and Compliance and Harvest Strategies x 3 @ \$8,000; (\$24,000): Other training workshops as required (\$25,000). Support hardware (\$600)
6	Surveillance and Enforcement Coordination - 60 days @ \$700 (\$42,000); review and development of electronic monitoring and reporting systems and their introduction into DFZ - 30 days x \$700 (\$21,000); Stakeholder workshop in DFZ = \$8,000;
7	To develop interactive monitoring strategy 35 days @ \$650 = \$22,750. To partner International expert 30 days @ \$450 = \$13,500
8	Assessment for using remote monitoring e.g. drones with recommendations (\$32,000): Individual assistance with setting up Operations Room at \$500 x 50 days = \$25,000
9	In support of visits to partners (\$5,000); Associated miscellaneous travel (\$6,000) and DSA (\$4,000)
10	4 consultation meetings at \$6,000 each = \$24,000. Remote monitoring satellite data provider (\$42,000); Remote monitoring satellite data use (3 workshops @ \$6,000 each = \$18,000);
11	Equipment for Operations Room/Center (\$11,500); Test equipment plus subsidies for local (Palauan) fishermen to install E-Mon and E-Rep (\$20,000)
12	General materials for installations at Operations Room/Center = \$20,000
13	Communications and Audio-Visual Equipment for Operations Room/Center= \$8,000
14	To support Operations Room/Center = \$11,000
15	IT general for Ops Room (\$10,000); Information technology equipment for surveillance and monitoring (\$40,000); to download reports and observations for FADs Tracking and Interrogation (\$10,000)
16	Equipment Installation - Operations Room/Center (\$5,000)
17	Ecosystem Goods and Services Assessment and Cost Benefit Analysis - 40 days @ \$700 (\$28,000); Assessment of funding courses and sustainability plus broader assessment of blue economy requirements - 2 x 35 days @ \$700 (\$49,000)
18	To support Connectivity Assessment and Ecosystem Goods and Services Assessment - 40 days @ \$450 (\$18,000); Support to Sustainable Funding Consultant - 35 days x \$500 (\$17,500)
19	DSA for International consultants(\$20,000). Further travel support to stakeholder platform; Consultants' travel cost including local consultants' DSA (\$18,000)
20	Connectivity Assessment of the coastal and offshore ecosystems 60 days @ \$700 per day = \$42,000; stakeholder workshops 5 @ \$8,000 = \$40,000
21	General supplies and office support = \$3,000
22	IT equipment and support = \$8,000
23	To produce formal documentation from Assessments (\$12,000); Sustainable Funding Report and Blue Economy Report (\$12,000)
24	Other general miscellaneous costs = \$4,000
25	International Consultants - Mid-Term Review (\$20,000) and a single Independent Terminal Evaluator (\$25,000)

26	Local Consultant(s) to support review of Lessons and Best Practices - 25 days @ 450 per day (\$11,250); Local Consultant to support final assessments of Best Lessons and Practices and Experience Notes - 25 days @ \$500 (\$12,500) ;Local Consultant(s) to support production and printing of Best Lessons and Practices -15 days at \$500 (\$7,500); Local Consultant to support Partnership Forum - 20 days @ \$450 (\$9,000)
27	For consultant, partnerships and twinning visits; Workshop partners and consultants (\$16,000); Travel for MTR (\$3, 500); Travel for Terminal Evaluator (\$5,000); General travel for Stakeholder Engagement Forum (\$15,500). Total = \$40,000
28	Consultation Workshop on Best Lessons and Practices - 1 workshop @\$8,000 (\$8,000); International Consultant to review Lessons and Best Practices - 30 days @700 per day (\$21,000); Interactive workshop (international/global?) on Best Lessons and Practices e.g. Workshop in South Pacific region for BL&P in MPAs/No-take Sanctuaries and DFZs (\$20,000); Support and input from Project to Our Oceans Meeting (\$35,000); stakeholder Workshops - \$6000 x 2 workshops (\$12,000)
29	Project Coordination Unit (PCU) furniture and support equipment = \$10,750
30	Materials for Steering Committee Meetings @ \$1,600 x 5 = \$8,000
31	General Supplies for knowledge management and dissemination of information = \$6,750
32	For printing BL&P report and for Experience notes (\$10,000); General awareness and publicity material (\$6,000); Stakeholder Engagement Report and Awareness materials (\$4,000)
33	General support for travel and DSA for PMU staff = \$8,000
34	Full-time Project Manager @\$27,500 p.a. = \$110,000
35	Equipment and Furniture - PNMS Offices = \$2,000
36	Internet and communications equipment (Server, telephones,) = \$1,500
37	General office supplies (pens, paper, filing systems, etc) = \$1,634
38	General office improvements, A/C maintenance, etc. = \$2,000
39	Annual Auditing of project at \$10,000 p.a = \$40,000.

X: Legal Context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

XI: Risk Management

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, 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. To this end, 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.
2. 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 the Implementing Partner’s obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no 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/sc/committees/1267/aq_sanctions_list.shtml.
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above,, shall comply with the standards of conduct set forth in the

Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall, with respect to its own activities, and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
- ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
- iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
- iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
- v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4,, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using the UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP programmes and projects in accordance with UNDP regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

13. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

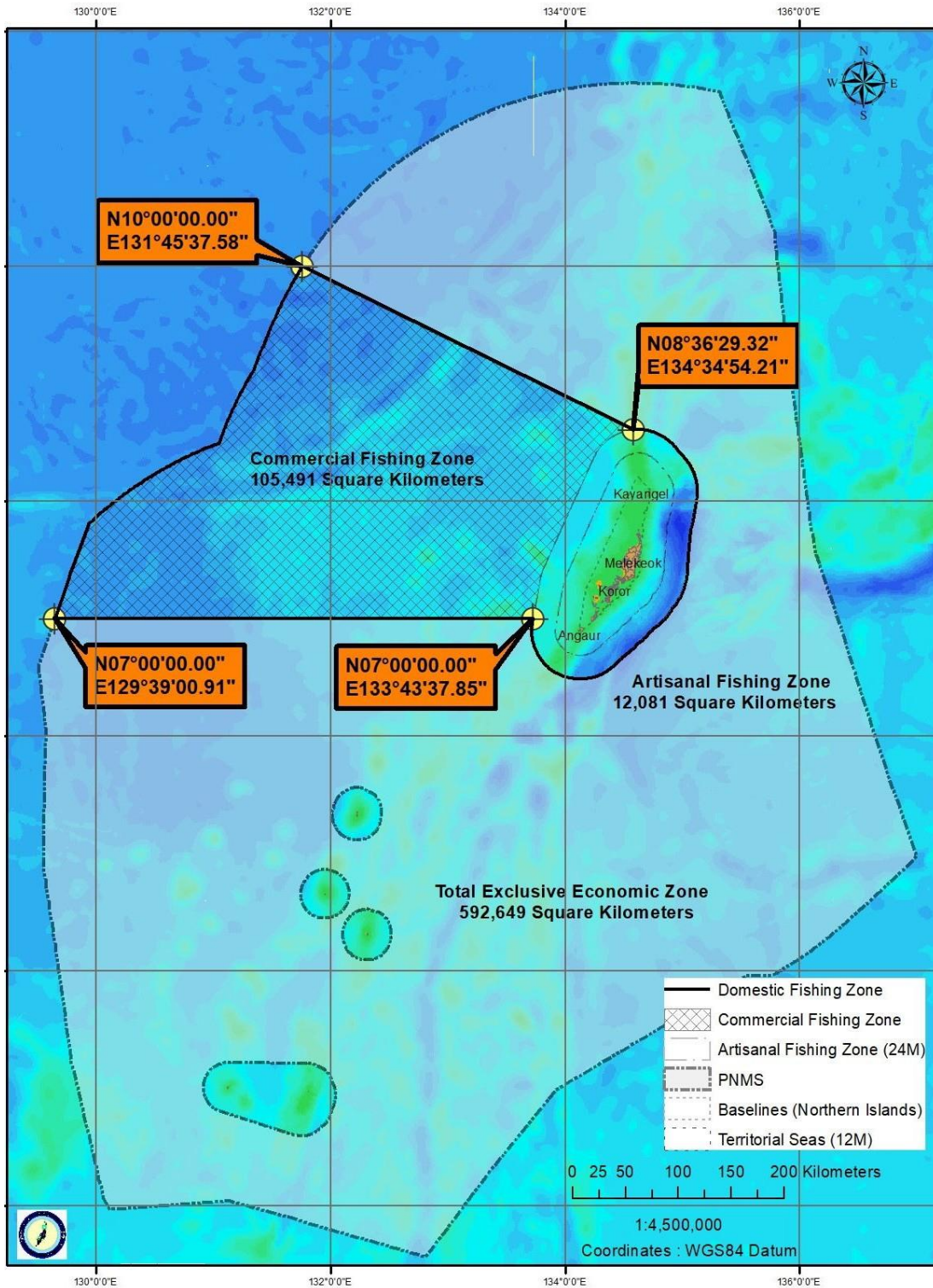
Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with the Implementing Partner, responsible parties, subcontractors and sub-recipients.

14. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
15. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
16. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

XII: Annexes

Annex 1: Map of Palau National Marine Sanctuary, Domestic Fishing Zones and Related Boundaries



Annex 2: Multi-Year Work Plan

Component	Outcome	Output	Activities	Year 1				Year 2				Year 3							
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Component 1 Institutional and Governance Realignment for Effective Monitoring and Adaptive Management within the PNMS	1.1 PNMS Institutional, Management and Regulatory Framework Strengthened and under full Implementation through enhanced national, regional and global support	1.1.1 A 5-Year Strategic Plan and Road-Map (with monitoring targets and indicators) implemented for effective institutionalization of the PNMS within the agreed management, monitoring and enforcement agencies	Negotiation, re-drafting and formal endorsement of the 5-year Strategic Plan/Road Map with emphasis on an Adaptive Management Strategy for the PNMS	X	X	X													
			Development of an ecosystem monitoring programme aligned with the 5-Year Plan and Road-Map supporting management of the PNMS	X	X	X													
			Implementation of an on-going ecosystem monitoring programme feeding into an adaptive management strategy as per the 5-Year Strategic Plan		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
			On-going monitoring of performance targets and indicators for the 5-year Strategic Plan			X	X	X	X	X	X	X	X	X	X	X	X	X	X
		1.1.2 A Platform for Partnerships alongside the PNMS to support the activities in the Strategic Plan with an agreed process for delivery of said support	Identification of Partnerships and adoption of formal agreements within an overall Partnership Platform	X	X	X	X	X											
			Adoption of a Partnership Platform interactive process/ meeting schedule along with an agreed Plan-of-Action and		X	X	X	X											

Component	Outcome	Output	Activities	Year 1				Year 2				Year 3				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
			responsibilities of support to the PNMS and DFZ and their management and monitoring													
		1.1.3 MCS role implemented through closer interaction and linkages with Ministry responsible for enforcement and compliance	Negotiations and agreements between various Ministries and bodies involved in Monitoring, Control and Surveillance. This to include raising awareness within legal and judiciary bodies of importance of prosecution following interdiction of illegal activities		X	X	X	X								
		1.1.4 A road-map and work-plan for sustainable management within the domestic fishery zone, including the adoption of ecosystem-based harvest strategies	Negotiation, drafting and formal endorsement of an 'adaptive management' focused road-map and work-plan for sustainable management of the domestic fishery		X	X	X	X								
			Use of fisheries catch information to set harvest strategies as part of the management procedures for the DMZ			X	X	X	X	X	X	X	X	X	X	X
		1.1.5 Compliance of PNMS and DFZ with international treaties and conventions and other due processes for consolidating the international status and recognition of the PNMS	Define linkages between PNMS and appropriate conventions/treaties including a road-map for stronger inclusions and/or signature/ratification if appropriate			X	X	X								
			Undertake the appropriate activities and stakeholder engagements in order to confirm		X	X	X	X	X							

Component	Outcome	Output	Activities	Year 1				Year 2				Year 3					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
			the description of the PNMS and/or areas within as EBSAs (Ecological or Biological Significant Areas). This to include scientific studies and analysis as appropriate and as feasible														
			Review the feasibility and initiate appropriate actions and negotiations with relevant bodies and stakeholders for designation of the ONMS as A. a World Heritage Site and B. a Particularly Sensitive Sea Area	X	X	X	X	X	X								
			Support to due process for confirming MPA boundaries with adjoining national EEZs		X			X			X			X			
	1.2 Improved and effective management and governance of PNMS/DFZ through strengthened capacity, skills and knowledge (including at the State, National, regional level as well as NGOs)	1.2.1 Implementation and Delivery of a Capacity Building and Training Programme	Identification of Capacity Building and Training needs through a stakeholder engagement process	X	X	X											
Development of modular training courses (governance, management and technical) based on best lessons and practices arising from Component 4				X	X				X	X							
Development and adoption of a 5-year CB&T plan in alignment with the 5-Year PNMS Strategic Management Plan.				X	X												
Establishment of agreements with partners on CB&T support and mentoring to deliver on CB&T 5-year Plan				X	X	X											

Component	Outcome	Output	Activities	Year 1				Year 2				Year 3			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
			Implementation of CB&T Programme including monitoring of achievements and delivery		X	X	X	X	X	X	X	X	X	X	
Component 2 Enhanced Management through improved Monitoring, Control and Surveillance of Activities within the Established PNMS and DFZ Boundaries	2.1 All regulations and laws pertaining to PNMS and DFZ enforced effectively and sustainably In further close collaboration with WCPFC, FFA and PNA	2.1.1. Full activation and implementation of the MSC Operations Room, staff and equipment with international linkages for better MCS	Hire staff and procure equipment as necessary to ensure that the DMLE Operations Room/centre is fully operational on a 24-hour basis	X	X	X									
			On-going implementation of MCS protocols and support by ensuring staff are fully conversant with procedures and trained in use of equipment and response strategies.		X	X	X	X	X	X	X	X	X	X	
		2.1.2 Implementation of interactive monitoring of EEZ/PNMS through combining satellite information on vessel movements with aerial reconnaissance (drones and patrol aircraft) leading to more effective deployment of patrol vessels	Develop and implement a monitoring programme/schedule and operational plan for interactive monitoring managed from the Operations Room/Center. This will require formal agreements with international partners including FFA Surveillance Center; Satellite tracking provider in USA, etc. to ensure daily and ongoing surveillance measures are in place			X	X	X	X	X	X	X	X	X	
		Review feasibility of combined aerial/ sea-going surveillance using drone(s) as well as aircraft			X	X									
		If feasible, develop and implement work-plan for expanded					X	X	X	X	X	X	X		

Component	Outcome	Output	Activities	Year 1				Year 2				Year 3						
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
			surveillance using unmanned drones and patrol vessels.															
		2.1.3 Adoption of innovative technology for monitoring fisheries within Domestic Fishing Zone, including use of E-Monitoring and E-Reporting as appropriate	Collaborate with FFA and other appropriate bodies and partners within the WCPFC to develop and implement a road-map for electronic surveillance and reporting within the MDZ and associated landing areas.		X	X	X	X	X	X	X	X	X	X	X	X		
			Review of options (and adoption where appropriate) for use of other innovative technological approaches for fisheries monitoring and management within the DFZ (e.g., FAD Deployment and Tracking)			X	X	X	X	X	X	X	X	X	X	X		
Component 3 Ecosystem Assessment and Financial Planning for a Long-term Sustainability Strategy for the PNMS	3.1 PNMS and associated administrative and management arrangements are financially sustainable and secure for the long-term	3.1.1. Detailed assessment of the economic value of the market and non-market marine ecosystem services within the oceanic jurisdiction of Palau	Value of ecosystem goods and services assessed/estimated		X	X	X											
			Analysis of ecotourism revenues and cost-benefits of securing and protecting ecosystem goods and service. This to include percentage/amount of revenues/benefits available for the state level and national level		X	X	X											
		3.1.2 A sustainable funding road-map adopted and under implementation that identifies and confirms cost recovery and financing mechanisms	Identification of cost-recovery and financing mechanisms to support PNMS and DFZ			X	X											
			Identification of potential improved revenues resulting from more effective management of both PNMS and DFZ which can be			X	X											

Component	Outcome	Output	Activities	Year 1				Year 2				Year 3				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
		(e.g. from tourism, levies and taxation on fisheries products, etc.)	channelled toward community and state activities and benefits													
			Negotiation of Vessel Day Scheme fees within the Parties to the Nauru Agreement based on protection of regional biomass and spawning/migrating zone for commercial pelagics		X	X	X									
			Sustainable funding mechanism agreed, adopted and implemented				X	X	X	X	X	X	X	X	X	X
Component 4 Improvement in Knowledge Management, communication and awareness outreach coupled with effective Project Monitoring and Evaluation	4.1 Strong stakeholder support for the PNMS and DFZ and associated benefits and fees at the broad stakeholder level including the state, national, and international community	4.1.1. Lessons and practices from other similar projects and initiatives both within and outside the GEF 'stable' incorporated into project activities and deliverables, along with sharing of information and close cooperation on complementary activities	Undertake a review of available best lessons and practices that can be used by this project and incorporate these into appropriate activities/outcomes	X	X											
			Adopt a programme for sharing information through direct interaction in-country, regionally and globally (e.g. through 'twinning' exercises)			X		X		X		X			X	
		4.1.2 Capture and appropriate distribution of Best Lessons and Practices from the Project in a user-friendly format to support further	Review of best lessons and practices from this project leading to formal publication and IW:LEARN Experience Notes for use by other SIDS and similar national circumstances.			X		X		X		X			X	

Component	Outcome	Output	Activities	Year 1				Year 2				Year 3			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		capacity building and training and to encourage replication and/or scaling up as and where appropriate. This process should link into the Stakeholder Engagement Plan to ensure stakeholder input as well as sharing/ learning. This process will also advise and provide feedback/documentation to IW:LEARN	Lessons and best practices reviewed and revised into modular training courses and capacity building materials to feed into CB&T outputs and activities under 1.1			X	X					X	X		
		4.1.3 A communications and awareness outreach programme established and delivered that explains the function and benefits derived from the PNMS and DFZ	Establishment of a specific section/body(s) within the PNMS and DFZ administration/ management to focus on Communications and Awareness	X	X										
			Develop and adopt a Communications and Awareness Programme through stakeholder engagement and input that targets relevant target bodies including a. general public, b. communities, c. states d. policy-makers, e. private sector and f. the regional and global community		X	X	X	X	X	X	X	X	X	X	X
	4.2	4.2.1 Project management structure in	Project Coordination Unit established and staffed	X											

Component	Outcome	Output	Activities	Year 1				Year 2				Year 3			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Effective Project Management, Monitoring and Evaluation	place, functional and under appropriate monitoring for delivery of the GEF Project Objectives including full use of a formal M&E process	Regular reporting and assessment of project delivery undertaken as per UNDP requirements (Monitoring Plan)	X	X	X	X	X	X	X	X	X	X	X	X
			Independent Advisory Assessment of Project at Mid-Term (not a formal MTR)						X	X					
			Formal Independent Terminal Evaluation of project as per UNDP requirements											X	X
		4.2.2 Updated stakeholder and partner engagement process/strategy in the project in support of its long-term objectives	Review of stakeholder engagement and stakeholder inputs to and involvement with Project Objective and Outcomes (also to be captured in Best Lessons and Practices above)				X				X			X	X
			Assessment, revision and adoption of revised and updated Partnership Platform process and the role of the organisations engaged into management process										X	X	

Annex 3: Monitoring Plan

The Project Manager will collect results data according to the following monitoring plan.

Monitoring	Indicators	Description	Data Source/Collection Methods	Frequency	Responsible for Data Collection	Means of Verification	Assumptions and Risks
Project objective from the results framework	Marine protected areas created or under improved management for conservation and sustainable use	47.5 million hectares	Improved Management through Exec. Committee minutes and annual project PIR/Mett scores	Biannual and Annual	Project Manager PICRC/Science and Monitoring sub-committee	Ecosystem monitoring and field survey Annual PIR	Political will to maintain the designated PNMS
	Area of marine habitat under improved practices (excluding protected areas)	11.8 million hectares	Improved practices through Ministry reports and annual project PIR/METT scores	Biannual and Annual	Project Manager Surveillance and Enforcement sub-committee	MCS patrols and reporting Operations Room daily log	Effective and sustainable MCS patrols and surveillance mechanisms
	Globally over-exploited marine fisheries moved to more sustainable levels	21,250 metric tonnes	Fisheries catch data	Annual	Project Manager Domestic Fisheries and Food Security sub-committee	Observer feedback (human and electronic) Fisheries data analysis	Effective adoption of management mechanisms such as harvest strategies.
	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment	20,000 plus (overall) 9,000 plus (women)	PIR/METT Scores Terminal Evaluation	Annual End-Of-Project	Project Manager Terminal Evaluator	Stakeholder examination Evaluation questionnaire(s)	Trickle-down of benefits effect on entire population is notable and recordable

Monitoring	Indicators	Description	Data Source/Collection Methods	Frequency	Responsible for Data Collection	Means of Verification	Assumptions and Risks
Component 1	Status of 5-year Strategic Management Plan and Road-Map (with its own set of indicators and targets) including a Capacity Building and Training Programme and identified partnerships and mentoring	5-year Plan Adopted and Reviewed Operations Manual in use CB&T Programme functional	Executive Committee Minutes PIR Terminal Evaluation Completed UNDP Capacity Development Scorecard	Annual End-of-Project	Project Manager PICRC & Executive Committee CB&T Project Officer	5-Year Plan CB&T Programme CB&T reports and certification	Government finds 5-year plan acceptable and adopts in a timely manner Indicators/Targets are appropriate and achievable Adequate human resources for CB&T Effective mechanisms adopted for CB&T that allow for social distancing as required in the face of COVID 19
	Partnership/Alliance Assembly through MoUs and similar Agreements that identify areas of support and responsibility and associated funding sources with a strong emphasis on capacity building,	Partnership Platform (single agreement)	Signed MoU/Agreement confirming obligation of partners to one objective and individual responsibilities Terminal Evaluation	End of third quarter of Project (month 9) End-of-Project	Project Manager Executive Committee	Signed Agreement(s)	Partners are willing to commit to Agreements that are somewhat binding Suitable Partners can be found to address in-country gaps in skills and needs

Monitoring	Indicators	Description	Data Source/Collection Methods	Frequency	Responsible for Data Collection	Means of Verification	Assumptions and Risks
	mentoring and training						
	Level of management and enforcement of all activities related to ecosystem well-being within the PNMS (47.5 million Ha)	Monitoring, Control and Surveillance Action Plan adopted and implemented	Executive Committee Minutes METT	Annual End-of-Project	MCS Plan and Annual Reports to Executive Committee	MCS Plan and EC Minutes	MCS Plan acceptable to relevant Ministries Adequate human resources and partnerships for enforcement and interdiction Appropriate guidance adopted for MCS activities to ensure protection of human health and welfare in relation to the COVID pandemic
	Management and enforcement of fisheries and other activities related to ecosystem well-being within the Commercial Fishing Zone and the Artisanal Fishing Zone (11.8 Million Ha)	Adaptive Management mechanisms in place Ecosystem-based Harvest Strategies adopted	Executive Committee Minutes Ministry Report/Publication PIR	Annual	Project Manager/Staff PICRC Ministry responsible for Fisheries/Natural Resources	Reports on Harvest Strategy requirements and adaptive mechanisms Fisheries Patrol reports	Proactive Harvest Strategies can be agreed Adequate human resources and partnerships to monitor and manage

Monitoring	Indicators	Description	Data Source/Collection Methods	Frequency	Responsible for Data Collection	Means of Verification	Assumptions and Risks
							Appropriate guidance adopted for fisheries management activities to ensure protection of human health and welfare in relation to the COVID pandemic
Component 2	Palau's Operations Centre for Monitoring, Control and Surveillance staffed, equipped and coordinating active MCS patrols, interdiction and prosecution as appropriate using effective linkages to both regional & global surveillance facilities as well national /regional response mechanisms	<p>Operations Centre fully equipped, staffed and functional</p> <p>Direct links to FFA Surveillance Centre and other support mechanisms (e.g. Vulcan Operations Centre) as well as 'in-field' assets</p>	<p>Operations Centre and DMLE reports to relevant Ministries</p> <p>Review Sub-Committee on Surveillance and Enforcement</p>	<p>Annual</p> <p>Biannual</p>	<p>Project Manager/Staff</p> <p>DMLE/PICRC</p> <p>Sub-Committee</p>	<p>Operations Centre Log-Books</p> <p>Staff complement within DMLE</p> <p>FFA Surveillance reporting</p> <p>On-site presence of physical assets</p>	<p>Adequate human resources available in-country</p> <p>Adequate support from international partners</p> <p>Access to appropriate equipment and training</p> <p>Operations Centre staff adequately protected against cross-infection by COVID 19</p>
	Up-to-date technology available and in use	Electronic monitoring and	DMLE reporting	<p>Annual</p> <p>Biannual</p>	Project Manager/Staff	E-Monitoring & E-Reporting mandatory on	Political willingness to require

Monitoring	Indicators	Description	Data Source/Collection Methods	Frequency	Responsible for Data Collection	Means of Verification	Assumptions and Risks
	within the DFZ and artisanal fishing areas including electronic reporting and monitoring and FAD tracking	reporting systems FAD Tracking and Monitoring Drone use for IUU patrol	Executive Committee Minutes PIR Terminal Evaluation	Annual End-of-Project	DMLE Terminal Evaluator	commercial vessels in DFZ FAD review reports Physical presence of drones operating from Palau	monitoring and reporting from all commercial operations Technology robust and available
Component 3	Economic assessment, cost-Benefit Analysis and Tourism policy and Plan/Programme	Economic Assessment	Government Ministry Reports	As Documented	Executive Committee	Minutes from Exec. Comm.	Political willingness to construct tourism policy around ecotourism and recognise long-term value Willingness to adopt a Blue Economy Strategy based on Ecosystem Goods and Services
		Ecotourism Cost-Benefit Analysis	Senate Bills and Presidential Decrees	As Documented	Project Manager/Staff Terminal Evaluator	Senate Bills Various formal documentation (Assessments, CB Analysis, Tourism Policy, Blue Economy Strategic Plan)	
		Revised National Tourism Policy Blue Economy Strategy	PIR Terminal Evaluation	Annual End-of-Project			
	Sustainable funding programme (cost recovery and financing mechanism) for PNMS and	Sustainable Funding Strategy and Mechanism	Government Ministry Reports Senate Bills	As Documented As Documented Annual	Executive Committee Project Manager/Staff Terminal Evaluator	Sustainable Funding Mechanism formally adopted by Government with full	Responsible Finance Ministry, treasury and Cabinet willing to allocate specific funding sources to PNMS and DFZ

Monitoring	Indicators	Description	Data Source/Collection Methods	Frequency	Responsible for Data Collection	Means of Verification	Assumptions and Risks
	associated DFZ management		PIR Terminal Evaluation	End-of-Project		stakeholder input	Resumption of revenue and income from tourism in 2020 going forward following vaccination response to COVID 19 pandemic
Component 4	Appropriate lessons and best practices from other similar GEF projects and other relevant initiatives captured and incorporated into this project as appropriate	Previous Best Lessons and Practices adopted by PNMS Project	Quarterly Reports SteerCom Reports PIR	Quarterly Biannual Annual	Project Manager/Staff Terminal Evaluator	Quarterly Reports SteerCom Minutes PIRs	Appropriate BL&Ps are available for adoption or modification by the Project
	Best Lessons and Practices from the project identified and documented and distributed to appropriate target bodies and agencies (Including through IW:LEARN) to support replication of the project results and	Final best lessons and practices captured in Experience Notes for IW:LEARN and other appropriate bodies (IUCN, WWF, etc.) for distribution	Report to Terminal Evaluator Report to UNDP/IW:LEARN	End-of-Project	Project Manager/Staff Terminal Evaluator	IW:LEARN website Physical documents distributed	Project is innovative enough to deliver new BL&P and Experience Notes Where appropriate, BL&Ps related to modification and innovative approaches in project activities

Monitoring	Indicators	Description	Data Source/Collection Methods	Frequency	Responsible for Data Collection	Means of Verification	Assumptions and Risks
	achievements in other SIDS/PICTs						in order to address and threats and impacts from COVID 19
	Project Coordination Unit and Project Management supported by the host organisation(s) with appropriate staffing levels and Monitoring and Evaluation as defined in the Project Document	Quarterly and annual (PIR) reporting and METT Terminal Evaluation Scores	Project Reports PIRs/METTs Terminal Evaluator	Quarterly Annual End-of-Project	Project Manager Project Coordination Unit Terminal Evaluator	Quarterly Reports UNDP PIRS with METT Scores Final Evaluation Report with Scores	All Project Management activities subject to government directives and UN guidance on managing COVID 19 threats and impacts
	Stakeholder and Partner Engagement Plan functional within the project	Stakeholder Engagement Plan	Stakeholder Engagement Report and PIR Terminal Evaluation scores for Stakeholder Engagement	Annual for PIR End-of-Project	Project Manager/Staff Stakeholders Terminal Evaluator	Stakeholder Engagement Report Documentation PIRs Terminal Evaluation	Stakeholder engagement may need to focus more on virtual interaction in early months of Project implementation

Annex 4: UNDP Risk Log

PROJECT RISKS					
DESCRIPTION	CATEGORY/TYPE	IMPACT AND PROBABILITY	MITIGATION MEASURES	OWNER	STATUS
Change in political support for a Sanctuary and re-opening of fishing rights	Political	Potential for the PNMS to be de-gazetted and the DFZ to be removed (Senate Bill reversing the declaration of the PNMS) Low to Medium	Following careful negotiation of the new DFZ and the compromise over foreign fishing vessel entry under strict control measures there is a significant reduction in criticism from non-supportive political opponents as well as increased support from the DWFN involved. Over the lifetime of the Project, certain measures will be taken to strengthen the international profile and image of the PNMS to make it more resilient and more of a globally recognised success story	EPCU Office of the President Senate	No Change – Start of Project
Impacts of ongoing COVID19 pandemic and any new human disease outbreaks on project implementation	Operational, Financial	Impacts could be high, likelihood is moderate to high (based on new vaccines being available)	As of December 2020, the scale, duration and impact of this pandemic upon project implementation cannot be confirmed, but it has the potential to be High, at least in the earlier stages of Project Implementation prior to widespread global vaccination. The Approval and distribution of effective vaccines promises to significantly improve the situation during the first year of Project implementation. It is anticipated that tourism will re-open within the first 12 months of Project implementation which will provide the much-needed revenues to develop longer-m sustainability. The project will	Project Steering Committee Project Manager and PCU All government departments up to the President's Office	No Change – Start of Project

			<p>comply with government directives and follow UN advice at https://www.un.org/en/coronavirus/UN-response in order to reduce health risks to project staff and stakeholders. If appropriate and required at any point during implementation, project activities (select or all) will be delayed if they present ongoing health risks and operational constraints caused by social distancing, quarantine and other measures. A six-month buffer may be imposed at each end for potential start-up and completion delays. Implementation may be paused, as deemed necessary, in affected areas while government disease prevention or control measures are implemented and resumed at a later time if feasible. The Project Steering Committee will guide project responses through email correspondence for ongoing situations, as required. Revision of the project workplan may be necessary and an extension request may be required if implementation is substantially delayed. Some adaptive adjustment may be needed to project strategy during implementation (e.g. on capacity building and training, on scientific monitoring programmes, and on MCS and fisheries management activities.).If still appropriate, the impacts of COVID 19 will be addressed in the SAP and strategies/mechanisms identified to</p>		
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			address any new diseases that may arise during the project lifetime		
Fall in landings of pelagic fish (esp. tuna) resulting in absence from local market	Technical, operational	Reduced landings of pelagics in Palau by commercial fishing vessels results in more pressure on local coastal and reef fish	This project and associated partner projects recognise this potential risk and its threat to the coastal ecosystems. Consequently, the development of a local commercial fishery to access pelagic fish stocks along with assistance to local artisanal fishermen to also access fisheries further offshore is an early priority both for this project and its partners	Ministry responsible for Fisheries Project Manager and PCU Project Partners (e.g. GCF and GEF IW)	No Change – Start of Project
Inadequate monitoring and surveillance for compliance with regulations	Technical, Operational	Low	MCS partnerships are already in place and being expanded through the project. FFA will support from the regional WCPFC Surveillance Centre as well the Vulcan Operations Center in Seattle (satellite tracking). The revised locations of the PNMS and DFZ make MCS and monitoring of IUU significantly more simplified and the new technologies planned (e.g. drones, E-Monitoring and E-Reporting) will also provide stronger surveillance and compliance	Project Manager and PCU Ministry of Justice - DMLE	No Change – Start of Project
Inability to raise or maintain capacity for ecosystem monitoring and responses	Technical, Operational	Low	Partnerships are already being put in place to address this (e.g. Stanford Center for Ocean Solutions, Global Oceans, Global Seamounts Project, etc.) and a comprehensive CP&T programme is planned to delivery this as a long-term process with international mentoring and capture of lessons	PICR PCU	No Change – Start of Project
Currently adopted fisheries and sanctuary regulations	Management, Technical, Political	Low	The current regulations have been carefully negotiated however it is quite possible that circumstances may change and that these regulations could be	PCU Ministry responsible for Natural	No Change – Start of Project

found to be inappropriate			found to be 'wanting' and in need of amendment/strengthening. This is not an unusual situation when first setting up and launching such an MPA and fisheries management process and the overarching concept of proactive Adaptive Management and Precautionary Approach as is written into the ProDoc, its outcomes and Outputs would address this in a timely and efficient manner	Resources and Fisheries	
Failure of Partnership Arrangements to provide adequate support	Political, Operational, Financial	Low	As noted above, Partnerships are already falling into place with a significant international interest growing in supporting the PNMS. Formal MoUs will be adopted where appropriate and agreements will always be negotiated beforehand so all parties are aware of their function and expectations. The Our Oceans conference being held in Palau in 2020 should provide an excellent platform for the promotion/encouragement of further long-term partnerships	PICRC/PCU President's Office Our Oceans Organisational Office	No Change – Start of Project
Inadequate and/or unsustainable long-term funding	Financial, Political	Low	The recently revised legislation and cabinet bill passed through Government has strengthened the long-term sustainable funding to support the PNMS. The Project itself highlights long-term sustainable funding as a main Outcome from the Project with a number of supportive Outputs. It is recognised that certain funding for the Project from tourism revenue may be constrained in the first year of Project implementation. If this unduly effects	Ministry of Finance and Senate PAN Fund?	No Change – Start of Project

			implementation activities, then the Project may need to consider a no-cost extension and this can be addressed if necessary at the Mid-Term Review		
Boundaries of PNMS with neighbouring countries remain formally undefined which could present enforcement problems	Political, Operational	Low to Medium	The Project identifies the need to advance negotiations over the EEZ boundaries relative to the two neighbours where these have still to be resolved. It is expected that some international support may help to move these discussions forward to a satisfactory conclusion	Resident's Office Appropriate Ministry (Cadastral, Justice, Foreign Affairs?)	No Change – Start of Project

Annex 5: Overview of Technical Consultancies

Consultant	Time Input	Tasks, Inputs and Outputs
For Project Management		
Local / National contracting		
Project Manager/ Coordinator Rate: \$40,000 P.A.	over 4 years	<p>The Project Manager (PM) is a full-time position, and will be locally recruited following UNDP procedures, with input to the selection process from the Project Implementing Partner. The position will be appointed by the project implementing agency and funded entirely from the Project. The PM will be responsible for the overall management of the Project, including the mobilisation of all project inputs, supervision over project staff, consultants and sub-contractors. The PM will report to the head of PICRC in close consultation with the assigned UNDP Programme Manager for all of the Project's substantive and administrative issues. From the strategic point of view of the Project, the PM will report on a periodic basis to the Project Board, based on PICRCs instruction. Generally, the PM will support the CEO of PICRC who will be responsible for meeting government obligations under the Project, under the NIM execution modality. The PM will perform a liaison role with the government, UNDP and CSOs and project partners, and maintain close collaboration with other donor agencies providing co-financing. The PM will work closely with the State Technical Coordinators and Coordination Support Officers responsible for carrying out activities in the four States.</p> <p><u>Duties and Responsibilities</u></p> <ul style="list-style-type: none"> • Plan the activities of the project and monitor progress against the approved work-plan. • Supervise and coordinate the production of project outputs, as per the project document in a timely and high quality fashion. • Coordinate all project inputs and ensure that they are adhere to UNDP procedures for nationally executed projects. • Provide technical inputs to implementation of project activities including to ensure effective coordination and alignment with other projects and regional initiatives and partnerships on marine resource management. • Supervise and coordinate the work of all project staff, consultants and sub-contractors ensuring timing and quality of outputs. • Coordinate the recruitment and selection of project personnel, consultants and sub-contracts, including drafting terms of reference and work specifications and overseeing all contractors' work.

Consultant	Time Input	Tasks, Inputs and Outputs
		<ul style="list-style-type: none"> • Manage requests for the provision of financial resources by UNDP, through advance of funds, direct payments, or reimbursement using the UNDP provided format. • Prepare, revise and submit project work and financial plans, as required by Project Steering Committee and UNDP. • Monitor financial resources and accounting to ensure accuracy and reliability of financial reports, submitted on a quarterly basis. • Manage and monitor the project risks initially identified and submit new risks to the project board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log. • Specifically, advise the project board on any risks, constraints or challenges arising to project activities. Objectives goals or targets resulting from the COVID 19 pandemic allowing the board to appraise the situation and determine the best resolution(s). • Act as overall project focal point for adherence to social and environmental safeguards and ensure SES requirements are integrated into the delivery of technical activities and stakeholder engagement processes as needed. • Monitor implementation plans including the gender action plan, stakeholder engagement plan, and any environmental and social management plans; • Monitor and track progress against the GEF Core indicators. • Liaise with UNDP, Project Board, relevant government agencies, and all project partners, including donor organisations and CSOs for effective coordination of all project activities. • Liaise with Project Managers of other national and regional GEF-financed projects. Identify opportunities for coordination and sharing of technical approaches, best practices and lessons learned. • Facilitate administrative support to subcontractors and training activities supported by the Project. • Oversee and ensure timely submission of the Inception Report, Project Implementation Report, technical reports, quarterly financial reports, and other reports as may be required by UNDP, GEF and other oversight agencies. • Disseminate project reports and respond to queries from concerned stakeholders. • Report progress of project to the steering committees, and ensure the fulfilment of PSC directives. • Oversee the exchange and sharing of experiences and lessons learned with relevant community based integrated conservation and development projects nationally and internationally.

Consultant	Time Input	Tasks, Inputs and Outputs
		<ul style="list-style-type: none"> • Assist community groups, municipalities, CSOs, staff, students and others with development of essential skills through training workshops and on the job training thereby increasing their institutional capabilities. • Encourage staff, partners and consultants such that strategic, intentional and demonstrable efforts are made to actively include women in the project, including activity design and planning, budgeting, staff and consultant hiring, subcontracting, purchasing, formal community governance and advocacy, outreach to social organizations, training, participation in meetings; and access to program benefits. • Assists and advises project partners /staff responsible for activity implementation target areas. • Carry regular, announced and unannounced inspections of all sites and activities where relevant • Support the Mid-term review and Terminal Evaluation process. <p><u>Required skills, expertise and competency</u></p> <ul style="list-style-type: none"> • A university degree (MSc) in a subject related to natural resource management, development studies, environmental sciences or related discipline and/or relevant experience • At least 10 years of experience in natural resource management and/or sustainable development • At least 5 years of demonstrable project/programme management experience. • At least 5 years of experience working with ministries, national or provincial institutions that are concerned with natural resource and/or environmental management and/or sustainable development. • Strong leadership, managerial and coordination skills, with a demonstrated ability to effectively coordinate the implementation of large multi-stakeholder projects, including financial and technical aspects. • Ability to effectively manage technical and administrative teams, work with a wide range of stakeholders across various sectors and at all levels, to develop durable partnerships with collaborating agencies. • Ability to administer budgets, train and work effectively with counterpart staff at all levels and with all groups involved in the project. • Ability to coordinate and supervise consultants/implementing partners in their implementation of technical activities in partnership with a variety of subnational stakeholders, including community and government. • Strong drafting, presentation and reporting skills. • Strong communication skills, especially in timely and accurate responses to emails. • Strong computer skills, in particular mastery of all applications of the MS Office package and internet search. • Strong knowledge about the political and socio-economic context related to marine resource management, biodiversity conservation and law enforcement at national and subnational levels. • Excellent command of English.

Consultant	Time Input	Tasks, Inputs and Outputs
		<ul style="list-style-type: none"> • Able to converse in local language
International / Regional and global contracting For Technical Assistance		
Outcome 1: Institutional & Governance Realignment for Effective Monitoring and Adaptive Management in the PNMS		
Local / National contracting		
Marine Technical Advisor Rate: \$750/day	207 days over 4 years	<p>The Marine Technical Coordinator (MTC) will provide advice to the Project on matters related to governance and management of the PNMS and its scientific requirements. The MTC will work closely with and under the guidance of the Project Manager and Director of PICRC</p> <p><u>Duties and Responsibilities</u></p> <ul style="list-style-type: none"> • Provide overall technical support and advice to the Project and its staff and consultants, as well as other government counterparts as required and appropriate • Assist the Project with development of essential skills through training workshops (training on marine protected area management, conservation of biodiversity, fisheries management, etc) • Work closely with all project staff and stakeholders in leading the development of a 5-year Strategic Action Plan • Providing mentoring and back-up to Project staff and stakeholders related to project objectives and activities • Support the Project Manager in reviewing / assessing the work and deliverables of all consultants and sub-contractors, ensuring the technical quality assurance of the deliverables as well as the timely delivery of expected outputs • Work closely with and provide support as necessary to Connectivity Assessment team, the Ecosystem Goods and Services Assessment team as well as the Cost Benefit Analysis team to ensure appropriate products • Advise personnel responsible for marketing and communication, for documentaries, TV spots, guidebooks and awareness campaign, and review all communications and awareness raising material produced for technical soundness, clarity and conciseness, etc; • Assist the National Project Director and Project Manager in liaison work with project partners, donor organizations, NGOs and other groups to ensure effective coordination of project activities • Advise the Project on the development of a World Heritage Designation for the PNMS

Consultant	Time Input	Tasks, Inputs and Outputs
		<ul style="list-style-type: none"> • Advise the Project on negotiations with IMO for a Particularly Sensitive Sea Area designation and any other aspects related to UNCLOS and/or other international treaties of relevance to the PNMS • Assist the project, its consultants and its stakeholders in the development and an implementation strategy for long-term scientific and socio-economic monitoring of the PNMS • Work with the appropriate consultants and stakeholders to identify best lessons and practices arising from the Project • Provide support as required to the Project and the Project Manager in relation to the One Ocean Conference to be hosted in Palau, and any appropriate follow-up to that Conference • Provide support and input as required to the Mid-Term Review and Terminal Evaluation of the project <p><u>Required skills, expertise and competency</u></p> <ul style="list-style-type: none"> • A minimum of an appropriate master’s degree and preferably a Doctorate in an appropriate field • 15-20 years of experience in guiding and mentoring similar projects and activities • A thorough grounding and knowledge in ocean governance and protected area/sanctuary/replenishment zone management • Previous knowledge of the history and development of the PNMS, especially in the context of stakeholder issues and political negotiations • Detailed knowledge and understanding of GEF and UNDP project processes and requirements • Experience of working with international treaties and agreements, particularly in relation to WCPFC, UNCLOS, WHS and IMO • Knowledge and awareness of the developing strategies and action plans for fisheries within the region including within WCPFC, FFA and the Partners to the Nauru Agreement • Demonstrate/show hands-on knowledge of marine parks management and enforcement • Demonstrate understanding of socio-economic practices related to marine ecosystem management such as in the context of ecosystem valuation and cost-benefit analysis as well as the importance of ‘connectivity’ across boundaries of protected areas and sanctuaries
Capacity Building and Training Coordinator	140 days over 4 years	The Capacity Building and Training Coordinator (CB&TC) will provide advice to the Project on matters related to the development and implementation of an appropriate capacity building and training programme in support the PNMS

Consultant	Time Input	Tasks, Inputs and Outputs
Rate: \$700/day		<p>and the project objectives and deliverables. The CB&TC will work closely with and under the guidance of the Project Manager and Director of PICRC.</p> <p><u>Duties and Responsibilities</u></p> <ul style="list-style-type: none"> • Liaise with all project staff, other project stakeholders and appropriate government personnel in identifying capacity building needs and associated training requirements • Based on the above process, develop appropriate training modules for management as well as for technical requirements • Draft a road-map and work-plan for implementation of capacity building and training courses and modules • Develop criteria for selection of candidates for courses and modules both in-country and internationally • Assist the project in performance monitoring of the delivery of course and modules • Establish a mentoring programme to support CB&T in Palau • Identify best lessons and practices for CB&T and for mentoring • Identify and promote opportunities for sharing information related to CB&T with other SIDS and appropriate countries related to Marine Sanctuary and fisheries replenishment zone management, enforcement, compliance and monitoring • Work closely with project staff and consultants working on knowledge management in relation to CB&T needs <p><u>Required skills, expertise and competency</u></p> <ul style="list-style-type: none"> • At least a masters degree in a relevant subject area • A minimum of 5 years experience directly related to delivering CB&T programmes and in the development of appropriate courses and modules • Clear evidence of knowledge and experience related to marine protected areas, sanctuaries and/or replenishment zones. • Strong awareness of the management needs for such MPAs • Preferably, previous experience working with GEF and UN agency projects of a similar nature
Outcome 2: Enhanced Monitoring, Control and Surveillance of Activities within the Established PNMS Boundaries		

Consultant	Time Input	Tasks, Inputs and Outputs
Surveillance and Enforcement Coordinator \$700/ day	125 days over 4 years	<p>The PNMS Surveillance and Enforcement Coordinator (SEC) will assist the Project through the various activities of Component 2 related to Monitoring, control and surveillance within and related to Palau’s jurisdictional waters (Territorial and EEZ) and, where relevant, other Project Component . The PNMS Surveillance and Enforcement Coordinator will work under the guidance of the Project Manager and Director of PICRC.</p> <p><u>Duties and Responsibilities</u></p> <ul style="list-style-type: none"> • The SEC will be responsible for the following technical management and coordination activities. • Coordinate with the Bureau of Maritime Security and Fish and Wildlife Protection, The Ministry of Justice; The Bureau of Marine Resource; The Ministry of Environment, Natural Resources and Tourism; The Office of the President and the Palau International Coral Reef Center on the implementation of the National Surveillance and Enforcement Strategic Plan; • Oversee the operations of the Command Center; • Monitor and advise on all international and regional agreements entered into by Palau that deal with fisheries surveillance and enforcement; • Explore options including the latest surveillance and monitoring and control technology and techniques for fisheries as they pertain to the Palau National Marine Sanctuary; and • Serve as the designated point of contact for all Marine Domain Awareness groups that the Republic of Palau is a part of. • Support the project manager in drafting terms of references for consultants and providing feedback on deliverables of consultants • Support networking and information sharing amongst stakeholders • Compile and submit progress reports and updates to the Project manager • Attend to other tasks as directed by the project manager and PICRC Director • Strengthen engagement and information-sharing with key project stakeholders including other national and regional projects, other relevant projects, government counterparts, project boards and committees, and beneficiaries/communities • Coordinate development of communication and awareness materials for the project to ensure visibility of the project achievements and good practices

Consultant	Time Input	Tasks, Inputs and Outputs
		<p><u>Required skills, expertise and competency</u></p> <ul style="list-style-type: none"> • A bachelor’s degree in environmental management, Marine Studies OR another environmental related field. • At least 4 years experiences in project management; Experience in any environmental related project management would be an advantage • Close familiarity with the roles, nature and requirement of Palau National Marine Sanctuary • Experience in in project planning, budgeting, monitoring and evaluation • Good leadership, coordination, communication and facilitation skills are essential • Close familiarity with the operations and rules of donor funded projects is not a requirement but will be viewed with favour • Ability to work with multi-disciplinary environment stakeholders including line government ministries and NGOs • Strong management skills, including ability to supervise people and monitor project staff as well as being responsible, honest, with strong sense of integrity and professional ethics • Demonstrate commitment to work and experience in working in a multicultural team environment, high level inter and intra-personal and communication skills • Must be computer literate • Must be able/fit to travel locally • Good command of English and ability to communicate in local language

Annex 6: Stakeholder Engagement Plan

1. INTRODUCTION

Palau lies in the Pacific Ocean about 800 kilometres east of the Philippines and 800 kilometres north of Papua New Guinea, Palau has the greatest marine biodiversity among all the islands in the Oceania group and is home to more than 1,300 species of fish, 700 species of coral, and an estimated 130 species of rare sharks and stingrays. Its waters contain one of the largest portions of endemic species in the world . The Palau archipelago stretches over 400 miles in a north-south direction from the atoll of Kayangel to the islet of Hatohobei.

The offshore waters in Palau’s EEZ are an important migratory and potential spawning area for tuna and other large pelagics. The world’s largest stocks of tuna occur in Pacific Island waters and over half of the tuna caught in the Western Pacific are from small island nations . However, enforcement capabilities within these countries are often resource-limited and undersized relative to the enormous ocean jurisdictions resulting from political boundaries between distributed island chains; thus, introducing a vulnerability to IUU activities (Palau is more vulnerable to IUU activities being located adjacent to two high seas pockets, allowing vessels to engage in unlawful activities with quick egress out of controlled EEZs). Having a deep cultural heritage for ocean conservation, these Pacific Island countries are strong advocates of a ‘Blue Economy’ and the sustainable use of ocean resources for economic growth and are turning towards an increased reliance on green tourism dollars to recapture lost income from commercial fishing licenses. It is within this growing regional socioeconomic framework that Palau has emerged as a global leader in ocean conservation, receiving the 2012 Future Policy Award for developing the world’s best policies to protect oceans and coasts.

The Palau National Marine Sanctuary (PNMS) was signed into law in October 2015 and covers over 80% of the country’s EEZ (Approximately 500,000 sq. km). Fisheries have been systematically reduced in this area leading up to a complete ban on commercial fishing activities as of January 2020. Alongside this PNMS, nearly 20% of the EEZ (almost 100,000 sq.km.) has been set aside as a Domestic Fishing Zone primarily for the benefit of Palauans and where foreign fishing vessels and their activities will be strictly controlled and all catches must be landed within the domestic market unless they have a special dispensation. These actions reflect the ancient local practice of *bul* whereby tribal chiefs placed areas off-limits to allow for restoration of living resources. The establishment of this large marine sanctuary has been a precedent-setting conservation measure that will contribute to local ecosystem health, migratory tuna stock health, and local and global food security. It is also economically prudent for Palau, where ecotourism revenues supported by the nation’s extraordinary marine biodiversity, are significantly greater than the “negligible” fisheries license income

Free, Prior and Informed Consent was a mainstay of the process for adoption of the Palau National Marine Sanctuary and this has continued into the project development process. This project has been specifically negotiated and designed in order to implement a law that was enacted following FPIC and IPP guidelines. Project Development itself included the formal involvement of and dialogues with the Council of Chiefs, the 16 Honourable Governors of the 16 States of Palau, including prior to and at the Project Validation Workshop. The Palau Ebiil Society was also engaged in the project development and in-country endorsement process. The Ebiil Society was founded to support the proper management of natural resources by and through indigenous peoples and using their knowledge.

The objective of the current project is to strengthen the Institutional and Governance Structure and Implement a Strategic Plan for the Sustainable Management of the Palau National Marine Sanctuary and Domestic Fishing Zone and provide a healthy and productive ecosystem for the benefit of all people of Palau

The Project Document requires that the project should undertake a thorough stakeholder analysis in order to ensure appropriate and adequate representation of all interested parties in the participatory work planned through the project and to identify the organisations to be represented on the Project Steering Committee (PSC). The PSC will include government agencies, CSOs and NGOs and private sector representatives as appropriate. The PSC representation and terms of reference are expected to be finalized in the Project Inception Workshop (IW) at the start of the Project.

The Project aims to promote a participatory approach which is increasingly being recognized as one of the most cost-effective mechanisms for ensuring the effective implementation and long-term sustainability of MPAs, in that local communities and other stakeholders start to take responsibility themselves for compliance with regulations and implementation of management activities. In this context, some of the indicators of Project Achievement have been defined as:

- Effective governance and management of the PNMS is fully institutionalised and implement with strong stakeholder involvement
- A Partnership/Alliance assembly established through MoUs and similar Agreements that identify areas of support and responsibility and associated funding sources
- An updated MCS Action Plan negotiated by appropriate stakeholders and adopted
- Stakeholder and Partner Engagement Plan negotiated adopted and functional within the project

The Project Document identifies that the involvement of stakeholders in project activities will be guided by a robust stakeholder engagement plan(s) that take gender and social equity considerations into account. This stakeholder engagement plan(s) will also make strong provision for conflict management with different categories of user groups.

Project Stakeholders

The project will work with a range of stakeholders including government representatives, local communities and civil society groups, NGOs, private sector, academic and research institutions, with the aim of strengthening their involvement and collaboration in strengthen the Institutional and Governance Structure and Implementing a Strategic Plan for the Sustainable Management of the Palau National Marine Sanctuary and Domestic Fishing Zone and provide a healthy and productive ecosystem for the benefit of all people of Palau.

Project outputs will be implemented and delivered to optimize equality and gender mainstreaming, ensuring that men, women, youth and marginalized groups benefit adequately from capacity enhancement and effective participation in decisions related to resource management and livelihood support, as well as the distribution of benefits. Stakeholder engagement will reflect the principles of the integrated landscape approach: continuous learning, multiple stakeholders, participatory monitoring and stakeholder participation.

The project will adopt the Human Rights-Based Approach (HRBA) as used by UN agencies since 2003. This requires that the problems and challenges faced by different stakeholders involved in or affected by project interventions and inequalities and discrimination patterns that occur in the area where the project is located are addressed from the beginning. The HRBA approach particularly emphasises the need for a good understanding of the underlying structural causes of such problems so that effective and sustainable strategies for change can be identified²⁶. The stakeholder engagement process to be undertaken during the Project will ensure that the HRBA approach is followed.

²⁶ UN Evaluation Group (2012) Integrating Human Rights and Gender Equality in Evaluations, Guidance Document www.uneval.org/document/download/1294

List of Main Project Stakeholders and Expected Roles and Responsibilities in the Project

STAKEHOLDER	DESCRIPTION	ROLE IN PROJECT
Palau International Coral Research Centre (PICRC)	The Palau International Coral Reef Center is Palau’s leading research and aquarium institution. Its vision is people empowered with science and knowledge for effective marine conservation and management. PICRC’s work is locally and internationally relevant and contributes to better informed decisions regarding the management and conservation of our marine resources. PICRC’s Research Department conducts research that is locally and regionally significant. PICRC’s practical research is directed towards the sustainable management and conservation of local and regional marine resources.	PICRC is the principal agency in Palau formal charged by Executive Order with the administration and management of the PNMS. PICRC will be the national Executing Agency for the Project and will host the PCU and staff within its offices. The Director of PICRC will also be the Project Director.
Ministry of Justice, Division of Marine Law Enforcement (DMLE)	The Ministry of Justice (Republic of Palau) is part of the Executive Branch of the Government. By Executive Order, the Ministry of Justice is responsible for surveillance of the Republic’s maritime jurisdictions, and for monitoring and enforcing restrictions pertaining to the Exclusive Economic Zone, The Domestic Fishing Zone and the Palau National Marine Sanctuary	The Ministry of Justice, and specifically the DMLE, will be responsible for the monitoring, control and surveillance of all activities both within the PNMS and the DFZ. Through the use of their patrol vessels, and operational center (with remote, satellite-supported surveillance capabilities) they will monitor any activities and vessels within the PNMS to ensure that there are no illegal activities taking place and will similarly work closely with the MNRET in policing the DFZ to ensure that any fisheries management regulations are complied with.
Ministry of Natural Resources, Environment and Tourism, Bureau of Marine Resources	The vision of the MNRET is “To be widely recognized in promoting, exploring, exploiting, developing, protecting, and managing the natural resources of the Republic, in areas of marine and fisheries, agriculture, aquaculture, forests, mineral and other land-based and ocean-based resources as well as tourism.” Its Bureau of Marine Resources houses the Division of	MNRET, through its relevant Divisions, will work alongside the project both to develop the domestic fisheries market, to establish a management strategy for the DFZ (including harvest strategies for commercial species) and to ensure that there are benefits accruing from the DFZ that can be shared with the population of Palau as a whole

	Fisheries Management, the Division of Marine Resources Development and the Division of Information and Data Management	
Ministry of Finance	The Ministry of Finance ensures accountability, continuous productivity of government services, and economic growth by promoting policies for, and sound management of, expenditures, revenues, financing and human resources	The MoF will work with the project to identify sustainable revenue to support the administration and management of both the PNMS and the DFZ. One important area that will now arise following amendments to the Executive Order will be the collection of taxes on exported fish products
Ministry of Education	The Ministry of Education is responsible for managing, operating and promoting the public elementary and secondary schools systems throughout the Republic and developing and implementing educational curricula and standards at every educational level and related matters.	The Project will work with the MoE through its Communications and Outreach activities to provide young Palauans with the necessary understanding of the function and purpose of the PNMS and of the importance of ecosystem-based management with a view to creating the next generation of leaders and policy-makers who are fully aware of the significance and importance of the oceanic areas over which Palau has jurisdiction.
State Governments	Palau is divided into sixteen administrative regions, called states. Palau has both a tribal chieftom and elected legislature in each municipality,	The project will maintain a specific focus on ensuring that the cost-benefits from effective administration of the PNMS and management of the DFZ are realised at the state level. In this context, state representation will be encouraged within the stakeholder engagement process in reviewing project delivery and decision-making.
Local Communities and Indigenous Peoples	Indigenous Communities are scattered around the many islands of Palau. They are generally represented through the states process which includes tribal leadership as well as a more formal legislature	As per Palauan accepted cultural practices. The Palau Constitution designates sixteen traditional municipalities of Palau as states. Adoption of the Palau Constitution gave the sixteen states the authority to formulate their own constitutional conventions and elect their respective legislatures and heads of state. The states respectively have their own local government comprised of local legislators,

		governors, traditional chiefs, elders, and high-ranking clans. Palau's traditional chiefs have advisory authority at the national level through the Council of Chiefs. This council is highly respected and works closely with the elected officials on a variety of local and regional issues. This ensures the preservation of traditional ways and the continued success of the democratic government. Representation to the Project Steering Committee will be ensured through appropriate advice by the Government
Palau Conservation Society	The mission of the PCS is to work with the community to preserve the nation's unique natural environment and perpetuate its conservation ethic for the economic and social benefit of present and future generations of Palauans and for the enjoyment and education of all. PCS has a Conservation and Protected Areas Program which has objectives to i) Lead and coordinate community-based protected areas creation, management planning, and effective conservation at the state/community level, ii) Provide assistance for the implementation of protected area management plans, iii) Advocate for and support cooperative management of cross-boundary sites, iv) Implement management activities for critical species, and v) Implement activities for improved fisheries management. It also has a Program of Communications and Outreach	The Project and the PCS will collaborate in a number of relevant areas including developing effective communications and outreach that will promote knowledge and understanding of the function of the PNMS and the value to Palauan community of the DFZ. increased community understanding and support will be essential for the long-term sustainability (both financial and political) of the PNMS.
PAN Fund	The Protected Areas Network falls under the administrative jurisdiction of the MNRET. However, sites that join the PAN shall not be controlled by the National Government, the state governments will continue to have ownership and governance of the PAN sites within their	The Project will interact and collaborate with the PAN Office and Pan Fund to ascertain appropriate mechanisms to ensure that some benefits from both the PNMS and DFZ are realised by the state governments as well as the national government for the greater

	<p>boundaries. The Republic of Palau has further created an independent non-profit organization to serve as a financial trustee of the monies obtained to support the PAN to manage the funds from donations and arrival fees. This non-profit organization is called the PAN Fund.</p>	<p>advantage of the Palauan community as a whole. The two bodies will look at streamlining the linkages between PNMS and PAN to strengthen the institutional linkage between the two.</p>
International Atomic Energy Agency (IAEI)	<p>In the context of Climate Change, the IAEA helps countries use nuclear science and technology to monitor emissions and environmental changes to the ocean and ecosystems, mitigate sources of greenhouse gas emissions from energy production and land use, and adapt to new climate realities including food and water shortages and ecosystem losses. Nuclear and isotopic techniques are powerful tools to study the carbon cycle and ocean acidification. They have widely contributed to the understanding of past and current ocean conditions and to predicting the impact of climate change. The IAEA also maintains the Ocean Acidification International Coordination Centre, which helps advance ocean acidification science, capacity-building and global communication.</p>	<p>As of June 2019, the International Atomic Energy Agency (IAEA) has agreed to support Palau International Coral Reef Center (PICRC) to enhance Palau's national capacities and infrastructure to monitor and assess the impacts of OA. The main objective of this project is the accurately measure and observe OA trends and impacts in marine ecosystems of Palau, thereby maximizing the ability of coral reefs to continue providing important services to the people of Palau. The information gathered from this project will be used to guide management and policy decisions. This project is anticipated to run for four years, and it will be a collaborative effort between PICRC, the IAEA, the Ministry of Natural Resources, Environment and Tourism, and the Ministry of State. The project will also strengthen existing ties between PICRC and universities such as Stanford University and the Korean Institute of Ocean Science and Technology (KIOST), by increasing PICRC's capacity in OA research. PICRC and Ministry of State are also working with IAEA to build both the human and technical capacity of PICRC to be the regional center for OA research in the Pacific. This would allow other countries in the Pacific to come to the Center to learn about OA research and send their samples to the Center to be tested. This is a long-term capacity building program that</p>

		will be able to support Palauan student to get their M
Other Stakeholders	The Project will undertake a specific stakeholder engagement workshop consecutive with its first Inception Workshop to identify other appropriate stakeholders and to confirm their roles in the Project and the appropriate mechanism (timing, venues, etc) for interaction and engagement	

Objectives and Principles

The main objective of the stakeholder engagement plan (SEP) is to ensure that the interests and priorities of the different stakeholder groups and sectors are taken into account during relevant phases of project development and implementation. Specific objectives of the plan include:

- Informing stakeholders to ensure a common understanding of the intended project goals and approaches.
- Generating project buy-in and appropriation by targeted partners and beneficiaries.
- Identification of priority interventions and adequate strategies to successfully achieve the intended outcomes of the project.
- Identification of opportunities for synergies and partnerships, including co-financing and institutional cooperation.
- Validation of the intervention strategy and targets by its key stakeholders.
- Facilitation of participatory M&E and feedback mechanisms.
- Establishment of grievance mechanisms.

This stakeholder engagement plan will be implemented according to five basic principles that will ensure its effectiveness and inclusiveness:

- I). **Participation:** Open representation and participation of stakeholders will be facilitated at all levels, from Government to local community members.
- II). **Gender equity:** Project design and implementation will be responsive to gender-sensitive considerations including the specific capacities and needs of women, the youth and marginalized/vulnerable groups.
- III). **Respect for cultural diversity:** Project design and implementation will respect existing customs, traditions, and forms of organization and decision-making.
- IV). **Communication and transparency:** Care will be taken to design and implement a communication strategy that guides messages coherently to specific stakeholder groups and audiences targeted by the project. Adequate communication will help avoid unrealistic/false expectations or erroneous interpretations between actors. Information will be provided transparently, without marginalizing any stakeholder groups.
- V). **Partnerships and synergies:** Continuous efforts will be made to ensure mapping of other interventions with similar objectives as the project, or initiatives that are related to the same thematic scope as the project. Opportunities will be explored to establish synergies that can help to maximize project impact and avoid duplication of efforts.

Engagement Methods

Methodologies used by the project to target and engage stakeholders and beneficiaries will depend on the actor, and the stage of project implementation.

- **Project Steering Committee:** Meetings of the PSC will be organized on a regular basis to ensure relevant partners remain actively engaged in monitoring progress and steering the implementation of project activities towards its intended outcomes.
- **Workshops:** Workshops will be used to inform and actively engage larger groups of stakeholders in consultation processes, generating buy-in and sharing knowledge. In particular, the Project will establish a Technical Working Group to provide scientific and technical support to the various deliverables throughout the lifetime of the Project
- **Strategic / informal meetings:** Meetings will be held bilaterally or with groups with the purpose to inform stakeholders and/or obtain agreement on issues of importance for successful project implementation. Group meetings will also form an important means of communication at the community level.
- **Liaisons:** representatives of regional governments and district councils, community leaders, elders, religious leaders, etc. may be used as liaisons, for instance between beneficiaries and other project partners.
- **Expert consultations:** Recognized experts in thematic areas will consult and inform stakeholders on strategic aspects of the project.
- **Exchange visits:** Project partners and beneficiaries may be selected to participate in visits to other sites/countries in order to exchange knowledge and learn from good practices and successful approaches implemented elsewhere that could be replicated in the project sites.

From time to time, as deemed appropriate by the Project Steering Committee or requested by other stakeholders, a formal full Stakeholder Consultation Workshop will be called to discuss specific issues and/or update all parties on progress within the Project Components and their Deliverables. At other times, groups of stakeholders with specific interest or concerns (e. NGOs, CSOs) may request the Project to convene an open Stakeholder Meeting for discussion of pre-selected issues and concerns. The outcome and proposed solutions to the issues and concerns raised will then be carried forward to a formal Stakeholder Consultation Workshop (to be convened no less than 6 weeks after the open Stakeholder Meeting) by selected representation (e.g. from the NGO and/or CSO community).

The project is a Government of Palau project funded and supported by GEF through UNDP. As such, the ownership of all information and data belongs primarily to the Government of Palau. Nevertheless, consultations during the development of the Project identified the overarching need for full and transparent stakeholder involvement in Project activities and in delivery of its objectives. This included the understanding that the public and other stakeholders should have access to the knowledge needed for them to support, understand and contribute to the review, monitoring and effectiveness of regulations and management initiatives. In this context, reports and studies submitted from the Project to the Government and other project management bodies (via UNDP) will be shared in a timely manner with other interested stakeholders for their input.

Communication

In addition to the abovementioned engagement tools, the project will develop a communication strategy that will take into consideration the stakeholder engagement plan and can be adapted depending on the stage of the project, and in response to feedback from stakeholders, as well as the grievance mechanism.

Contents and format of information dissemination will be specifically adapted to targeted audiences, their educational background, cultural contexts, and languages, in order to obtain the highest possible levels of understanding and buy-in, including through the following mechanisms:

- **Community sketches and bulletin boards:** Short, informal performances spoken in local languages, and notifications/posters on local bulletin boards/offices will be developed as a tool to help raise awareness of beneficiaries on relevant project subjects.

- **Brochures/flyers/newsletters:** Printed materials will be used for sharing project summaries and knowledge products with national stakeholders (Government staff, communities around targeted sites).
- **Radio, TV, newspapers, press releases:** The media will be used to reach broader stakeholder groups in the country, mobilize support and raise awareness on project activities and relevant environmental topics.
- **Exhibitions:** Posters, photos, banners, and/or short (20 min) videos may be produced for display in national and international fora and fairs.
- **Policy briefs:** To inform decision makers on recommendations, lessons learned and good practices resulting from project implementation and enable replication/upscaling, policy briefs may be developed for sharing with Government stakeholders.
- **Progress reports:** Reports produced as part of M&E processes (e.g. UNDP GEF PIR) will be shared with the Steering Committee, UNDP, donor(s), as well as other relevant stakeholders (as appropriate).
- **Online media:** The project will share progress updates and good practices to the general public through online media, including a Project Website with links into the websites of partner ministries as well as platforms such as UNDP EXPOSURE²⁷ and PANORAMA²⁸. Posts may include stories, photographs, photoblogs, short video's etc. To reach national and global audiences, the project could also consider establishing accounts on social media including Facebook, Twitter, Instagram and YouTube.

The above mechanisms will form part of an overall Project Communication Strategy to develop by a Communications and Awareness consultancy/expert on behalf of the Project and with full engagement with the project stakeholders so as to better understand and capture their needs and requirements

EXAMPLES OF THE EXPECTED COMMUNICATION TOOLS AND TARGETED STAKEHOLDERS (TO BE DEFINED IN THE OVERALL COMMUNICATIONS AND AWARENESS STRATEGY)

Stakeholders / Information formats	Sketches	Brochures/ flyers	Radio / TV/ newspaper	Exhibitions	Policy briefs	Progress reports	Online media
All Palau	x	X	X	X	X	X	X
Local Authorities in the project sites (Municipalities, Districts Councils, Village Councils)		X	X	X	X	X	X
Local communities at project sites	X	X	X	x			X
Women, including their organizations	X	X	X				X
Environmental and conservation stakeholders (including NGOs and CSOs)	X	X	X	X			X

²⁷ <https://stories.undp.org>

²⁸ <https://www.iucn.org/theme/protected-areas/our-work/projects/panorama-solutions-healthy-planet>

Private sector (Coastal tourism, water sports operators, etc.)	x	X	X	X			X
Academic /Research institutions		X	X	x	X		X
Development partners, donors		X		X		X	X

ACTIVITY	FREQUENCY OR EXPECTED 'DUE BY' DATE (FROM MARCH 2019 FORWARD)
Inception Phase and Workshop	Once – beginning of Project
Meetings of Project Steering Committee	At least every 4 months during life of Project
Development and Adoption of a Stakeholder Engagement Strategy	Dates TBD at Inception Workshop
Development and Adoption of a project strategy to address the impacts and constraints arising from COVID 19	Initially at Inception Workshop and then reviewed at every project board meeting
Grievance Mechanisms established as part of the SEP	Dates TBD at Inception Workshop
Development and Adoption of a Communications and Awareness Strategy	Dates TBD at Inception Workshop
Communications and Outreach Platforms in place (website, media reports, frequent Policy Briefings, etc.)	Dates TBD at Inception Workshop
Open <i>ad hoc</i> Stakeholder Meetings	As required
Formal Stakeholder Consultation Workshops	Every 4 months during life of Project
Stakeholder engagement through capacity enhancement and technical support.	As required and as defined in Project Document
Project monitoring with participation of stakeholders (including monitoring of project safeguards and risks)	At PIR, Mid-Term Review and Terminal Evaluation of project

Resources and Responsibilities

The Project Manager will be responsible for implementing the Stakeholder Engagement Plan and achieving its objectives. He/she will mobilise the project team and partners to conduct specified stakeholder engagement activities and manage the grievance mechanism, according to the objectives and principles of the plan.

ESTIMATED COST OF THE VARIOUS STAKEHOLDER ENGAGEMENT PROCESSES

Item	Estimated costs US\$
Inception workshop (Year 1)	5,000
Formal Stakeholder Consultation Workshops (across 4 years)	24,000
Field visits and field stakeholder consultations by project staff and local project partners (across 4 years)	80,000
Costs for participation in open meetings by stakeholders on specific issues and concerns	40,000

ESTIMATED COST OF THE VARIOUS STAKEHOLDER ENGAGEMENT PROCESSES

Item	Estimated costs US\$
Communication strategy development & implementation (including websites, policy briefs, all communication and awareness materials)	85,000
Total	234,000

Grievance Mechanism

In case any grievances exist among project beneficiaries, stakeholders or partners, they will initially be encouraged to direct these to the Project Management Unit and provide the PMU with sufficient background information in order to assess the cause of the grievance and identify possible solutions. If the PMU based on its assessment of the seriousness and complexity of the problem is not able to provide a solution, the grievance may be escalated to the relevant (Government) partner and/or the Project Steering Committee. The PSC may decide to organise an *ad hoc* meeting in order to address the issue, or, if appropriate depending on the urgency, park the issue until the next planned regular meeting.

All grievances should be adequately documented and flagged by the PM, including the causes, responses, and outcomes of actions taken to address the problem. The UNDP Country Office in Mauritius as well as the UNDP-GEF Regional Technical Advisor should be notified immediately in case of grievances that may directly/indirectly hamper project implementation and/or (potentially) affect the reputation of the organisation.

UNDP recognizes that even with strong planning and stakeholder engagement, unanticipated issues can still arise. Therefore, it's social and environmental compliance reviews and stakeholder response mechanisms are underpinned by an Accountability Mechanism²⁹ with two key components:

1. A Social and Environmental Compliance Review Unit (SECU) to respond to claims that UNDP is not in compliance with applicable environmental and social policies; and
2. A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes.

The Accountability Mechanism is available to all of UNDP's project stakeholders. SECU investigates concerns about non-compliance with UNDP's Social and Environmental Standards and Screening Procedure raised by project-affected stakeholders and recommends measures to address findings of non-compliance. The Stakeholder Response Mechanism helps project-affected stakeholders, UNDP's partners (governments, NGOs, businesses) and others jointly address grievances or disputes related to the social and/or environmental impacts of UNDP-supported projects.

Existing national and sector forums may also provide important opportunities for stakeholders to provide feedback on project implementation. Utilization of existing structures and processes to engage stakeholders is encouraged, as this may provide opportunities for issues to be raised before they develop into more significant grievances. However, such fora would not substitute for specific project grievance redress mechanisms (GRM³⁰) that may be required.

²⁹ <https://www.undp.org/content/undp/en/home/accountability/audit/secu-srm.html>

³⁰ https://info.undp.org/sites/bpps/SES_Toolkit/SES%20Document%20Library/Uploaded%20October%202016/Supplemental%20Guidance_Grievance%20Redress%20Mechanisms.pdf

Accessibility is a key principle for any accountability mechanism. Since accessibility starts with awareness raising, the PM will need to take responsibility for ensuring that project-affected people and communities are informed of UNDP's Accountability Mechanism and the GRM. The stakeholder engagement process provides a key entry point to do this awareness raising and ensure that information about UNDP's Accountability Mechanism is made available to all project beneficiaries and partners. Communication materials are available in the online SES Toolkit³¹ to support this effort.

Monitoring and Reporting

Participatory project monitoring and evaluation is a key part of the results-based management (RBM) approach practiced by UNDP and GEF for all projects. Similarly, stakeholder engagement activities will be integrated in the M&E processes for this project to provide sufficient information for adaptive management decision-making. Beneficiaries and project partners will be encouraged to participate in different steps of the process, including design and verification of the logical framework and its indicators, tracking tools, reviews, field visits for monitoring progress, etc. The project will also ensure to regularly disseminate progress reports to relevant stakeholders for inputs, reviews, feedback and information sharing purposes.

The project will use standard UNDP approaches and procedures for M&E processes (see Monitoring and Evaluation Plan section for details).

³¹ https://info.undp.org/sites/bpps/SES_Toolkit/SitePages/Communication%20Materials.aspx

Annex 7: Gender Analysis and Gender Mainstreaming Plan

1. Introduction

The Gender Analysis and Project Gender Mainstreaming Plan respond to GEF and UNDP guidance regarding gender mainstreaming in project development and implies that the needs, priorities, power structures, status, and relationship between men and women are identified and incorporated into the design, implementation, and evaluation of the project; in this way men and women can participate proportionally and benefit equally from the project intervention.

The goal of the gender mainstreaming is, on one hand, to improve the environmental results of the project; on the other hand, the goal is to promote gender equality and women's empowerment. To achieve this goal, a plan to incorporate gender into the project **Strengthening the Palau National Marine Sanctuary for the Conservation and Management of Global Marine Biodiversity and Sustainable Fisheries** has been designed, in which the following actions will be developed:

- Strengthen institutional capacities, improving the situation of equality between men and women and ensuring women's empowerment.
- Analyze the project's activities, as well as the direct and indirect benefits of the project related to gender.
- Support the equal participation of men and women in the project, especially at the decision-making level.
- Establish indicators that effectively help to measure progress towards gender equality.

In all areas where an assessment of the current situation is required by the experts responsible for performing the necessary analysis, the current and potential future impacts of the COVID-19 global pandemic on communities in the participating countries and differentiated effects by gender, age, and other characteristics will be considered.

In Palau, women have a strong voice and a role in decision-making processes from the community all the way to the National government. Palau's Gender Division has adopted an approach that does not simply focus on women, but rather the need for inclusivity and whether a person or group is/are vulnerable. Palau's Gender Mainstreaming Policy requires that a "Gender and Socially Inclusive" and balanced lens be applied to every project and does not advocate simply for "gender equality." Gender roles in Palau are rapidly changing for every age and socioeconomic age bracket. Under the constitution of Palau, women are afforded equality of opportunity with men; recommendations by the association of women's chiefs (Mechesil a Belau) are said to be given high consideration in legislative matters. Customary law has constitutional status in Palau and the application of customary practices influences formal criminal procedures³².

Mechesil a Belau is an organization that has been instrumental in bringing together women's traditional clubs and non-governmental organizations each year to address women's and community issues. Together, these partners have built an effective social network to build capacity among women within the community. Traditional women's groups exist in all states, including the outer atolls and islands that are linked through the Internet and offices in the urban centres to ensure the full involvement of women in developing and implementing programmes. They work closely with Ministry of Community and Cultural Affairs (MCCA) on gender mainstreaming. In-kind support through collaborative work between MCCA, and the Ministry of Education, the Ministry of Justice, the Ministry of Health and the traditional and newly established women's

³² From <http://asiapacific.unwomen.org/en/countries/fiji/co/palau> accessed 1st July 2019

groups, has included training to improve parenting skills, gender and leadership programs, resource management projects such as pilot farm projects and taro patch rehabilitation programs, parents as teachers programs, care-giving training through the community college and work on violence

Historically, the matrilineal succession of land rights gave women a position of great importance and influence in traditional Palauan society. According to custom, every Palauan has land rights inherited from his or her mother. Today, women (especially young women) are less aware of their land rights and clanship relationships and increasing population and migration make tracing lineage and land ownership even more complex. Local customs provide women with rights to customary land title, especially taro gardens, and inheritance passes through the female line. The migration of many Palauans to the urban center of Koror and to other countries, and the consequent increased exposure to non-Palauan values and culture, has weakened the local cultural norms and organization that were central to local society. Women still influence and regulate land management in many ways. Despite the shift from a matrilineal heritage based on a consensual decision-making system to that of a more patriarchal system of inheritance and authority, armed with a strong desire to perpetuate traditional practices and principles, Palauan women perhaps can uncover an effective approach to balancing the old and the new and the contradiction between conservation and development. The ability to balance the old and new ways has long been part of Palauan matrilineal heritage that nurtured, fostered and encouraged adaptation to change. Palauan women continue to desire the values and principles of the past. However, they have adapted well to current trends and strive to integrate important characteristics of the past into the present.

There is no significant disparity between the sexes in education in the public and private elementary and secondary schools, as the ratio of female to male students has been very similar. There was a trend toward fewer female students from 2003 to 2005 (0:96), 2005 to 2010 (0:94) and 2010 to 2013 (0:92). The ratio of female to male students shows a tendency to have more males than females in public schools (4% more males) compared with private schools (2% more females). Nevertheless, Palau has essentially remained on target in the past in meeting its Millennium Development Goals in education.

In 2006, the Household Income and Expenditure Survey analyzed data from a poverty perspective. The survey revealed that a small but significant gender differential existed in poverty incidence. At the national level, 26.5% of households were headed by females and 31.3% of female headed households had expenditures below the basic needs poverty line. The gender differential was more pronounced in rural areas, where 40% of the female headed households had expenditures below the basic needs poverty line.

The Gender Division of MCCA, as the coordinator of gender mainstreaming in Palau, has a responsibility to work with each ministry to implement gender mainstreaming.

In 2016, UN Women along with the Pacific Community worked with the Ministry of Community and Cultural Affairs to prepare a Stock take of the Gender Mainstreaming Capacity of Pacific Island Governments. The report on the Republic of Palau provided recommendations for the enabling environment (legal and policy framework, political will, organizational culture, good governance, technical capacity and adequate resources) and the main recommendations were to: (a) develop a gender mainstreaming toolkit to educate political leaders and human resource personnel within each ministry; (b) establish a comprehensive program to collect and analyze gender disaggregated data; (c) establish a resource center for gender; (d) appropriate national funds for the Gender Division for personnel and operational costs; (e) foster production of annual reports and work plans by the Gender Division with a performance-based budget; (f) develop a sustainable financing strategy for MCCA that includes the Gender Division; (g) establish gender focal points within each ministry to mainstream gender; (h) ensure the active participation of the Minister of MCCA in high level meetings and donor round table discussions; and (i) develop a gender policy, based on the findings of this stocktaking report.

2. Main International and National Commitments related to Gender Equality

Palau ratified the Convention on the Rights of the Child in 1995, and endorsed a number of key international

and regional policy frameworks promoting commitment to gender equality, including the 1995 Beijing Platform for Action, the 2000 Millennium Development Goals, the Revised Pacific Platform for Action on Advancement of Women and Gender Equality 2005–2015 and the Pacific Plan (2005, revised in 2007).

In September 2011, Palau signed on the eight core human rights treaties, becoming the first Pacific Island country to have signed all human rights treaties. Palau became a signatory to the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; the International Convention on the Elimination of All Forms of Racial Discrimination; the Convention on the Elimination of All Forms of Discrimination against Women (not endorsed yet); the International Convention against All Forms of Torture and other Cruel, Inhumane or Degrading Treatment or Punishment; the International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families; and the International Convention for the Protection of All Persons from Enforced Disappearance. Palau became a signatory to the International Convention on Rights of Persons with Disabilities in 2011 and ratified it on May 8, 2013. By signing these conventions, Palau shows its support to their fundamental principles and the intention to ratify them. It is a step towards Palau becoming a party to these agreements. Two key human rights treaties are in force, but there is no anti-discrimination legislation and limited gender mainstreaming in place. It is recommended that anti-discrimination legislation and more gender mainstreaming be established. To achieve a stronger framework, greater attention to reporting under human rights treaties is needed, and specific anti-discrimination legislation must be enacted. More effort is needed to ensure that the existing legal and policy framework is understood across all political, economic, social and cultural spheres.

However, this should also be seen in the context of the 2009–2014 Medium Term Development Strategy – Actions for Palau’s Future (prepared by the Government of Palau with the assistance of the Facility for Economic and Infrastructure Management and the support of the Asian Development Bank) which states:

Because of Palau’s matriarchal and matrilineal heritage, women are not a classic disadvantaged group in Palau. In general women enjoy better health and achieve higher levels of education than men. While less likely to participate in the labor force, when employed, women earn more than men. Despite this overall favorable situation, service providers identify three categories of women as vulnerable: (a) pregnant women; (b) single mothers; and (c) women who are caregivers for the chronically ill. The Bureau of Public Health has proposed to organize a new Office of Social and Spiritual Health. Assistance to these vulnerable women is part of that office’s draft program of work.

This seems to contradict some of these other findings. Furthermore, the 2017 Regional Overview Women’s Economic Empowerment in the Pacific³³ (Prepared by the Pacific Community for the 13th Triennial Conference of Pacific Women and 6th Meeting of Ministers for Women) noted that:

In Palau, 40% of formal sector employees are women and, on average, their gross earnings are slightly higher than for men (2%). The government is the largest employer of Palauan women; these employees receive 2% higher gross earnings on average than their male counterparts.

Today both men and women are active in wage labor, and gender is of little importance except in national political offices, which are rarely held by women. There are women physicians, lawyers, and business managers, and the first Palauan woman serves on the Palau Supreme Court. Palauan society recognizes complementary roles for men and women. The traditional governing village council was male, with a female chiefly counterpart council. Senior women were integrally involved in leadership: they selected (and could remove) the male titleholders. Senior women still have strong voices in clan decisions on property and wealth controlled by the matriline, because money from exchanges enters the clan through the woman. Changes in legal inheritance, however, are eroding women’s power.

UN Women in Palau

³³ <https://www.spc.int/sites/default/files/wordpresscontent/wp-content/uploads/2017/09/Overview-Pacific-Womens-Economic-Empowerment-SPC2.pdf> accessed 1st July 2019

Advancing Gender Justice in the Pacific (AGJP) Programme: UN Women is continuing its advocacy initiatives to promote women’s political participation, providing knowledge products on harmonised human rights treaty reporting and implementation as well as training for women candidates running for elections. UN Women will also support the government in order to increase access to gender-responsive legal systems for women.

Ending Violence against Women (EVAW) Programme: This programme provides stakeholders with access to virtual knowledge platforms, tools and evidence-based resources to better equip them with the knowledge and evidence to advocate for strengthened EVAW legislation, improved policies and services for violence against women survivors. Social media tools are also made available to support community mobilisation that aims to end violence against women and girls, through campaigns such as the United Nations Secretary General’s UNiTE to EVAW and Say NO-UNiTE.

Women’s Economic Empowerment (WEE) Programme: UN Women is supporting informed and evidence-based decision-making when it comes to gender issues by assisting in the production of nationally-generated disaggregated data and statistics on the economic situation of women.

Increasing Community Resilience through Empowerment of Women to Address Climate Change and Natural Hazards (IREACH) Programme: UN Women supports the incorporation of gender dimensions in strategic documents for disaster risk management and climate change through the provision of knowledge products and tools on the gendered implications of climate change and disasters.

Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW):

Palau has recently passed the Family Protection Act 2013. Customary law has constitutional status in Palau and the application of customary practices influences formal criminal procedures. Palau has no sexual harassment, human trafficking or sex tourism legislation. The definition of rape is limited to sexual intercourse and spousal rape is still exempt from prosecution. The common law rule requiring proof of physical resistance in order to prove absence of sexual consent is still applied, as is the defence of reasonable belief that a victim was of lawful age of consent. Fault-based divorce is practised in Palau and division of matrimonial property in cases of divorce does not take non-financial contribution into consideration. Palauan women are able to vote and can participate as candidates in the elections for president, the 16 members of the National Congress and the 13-member Senate

Women and the Environment:

In 2005, as part of a global Environmental Vulnerability Index (EVI) produced by UNEP and SOPAC, Palau was ranked as ‘highly vulnerable’. Annual and seasonal maximum and minimum temperatures have increased at Koror at a rate of 0.11°C per decade since 1953. These temperature increases are consistent with the general pattern of global warming. Satellite data indicate the sea level has risen in Palau by about 0.35 inches (9mm) a year since 1993. This is larger than the global average of 0.11-0.14 inches (2.8-3.6mm) per annum. This larger-than-usual rise may, however, be partly due to natural phenomena.

Beijing Platform for Action and Declaration: The Beijing Platform for Action was a product of the Fourth Global Conference on Women held in September 1995, and has as its objective to accelerate the application of the Nairobi Strategies that are geared towards progress for women in the future, and to eliminate all obstacles that make difficult their active participation in all spheres of public and private life, widely and equally sharing conditions with men in terms of economic, social, cultural, and policy decisions to create policies, plans, and budgets with gender equality, as a process for poverty reduction and human development in their respective countries.

National legislation

The Palau Constitution and Title 1 of the Palau National Code (PNC) guarantee women equality under the law.

Every person shall be equal under the law and shall be entitled to equal protection. The government shall take no action to discriminate against any person on the basis of sex, race, place of origin, language, religion or belief, social status or clan affiliation, except for the preferential treatment of citizens (Palau National Constitution, Section IV.5). No law shall be enacted...which discriminates against any person on account of race, sex, language, or religion, nor shall the equal protection of the laws be denied (1 PNC 407).

The 2012 Palau Family Protection Act³⁴ provides protection to families from all forms of abuse. In 2013, consultations began on developing a gender policy for Palau. In this context, 'gender' was considered to mean both men and women in balanced roles in society. In 2013, compilation of the proceedings from 20 years of an annual women's conference in Palau will be completed and will contribute towards developing the policy.

National laws have been established to ensure the protection of children³⁵ as follows:

- 1) Title 22 Palau National Code Chapter 1 Section 101 states the policy and purpose of the law which is to provide for free, compulsory public education for all children aged 6 to 17, or until graduation from high school.
- 2) RPPL 7-55 is an Act which provides for the elimination of spouse exemptions relating to child sexual abuse cases and amends the reporting requirements and penalties, to create a child hearsay exception, to allow closed circuit television and to extend the statute of limitation.
- 3) Title 21 PNC Chapter 6 of the Palau National Code states that: 'It is the policy of the National Government to provide for the protection of children who are subject to abuse, sexual abuse or neglect and who, in the absence of appropriate reports concerning their conditions and circumstances, may be further abused, sexually abused, or neglected by the conduct of those responsible for their care and protection.'
- 4) Title 21 PNC Chapter 6 Palau's Child Abuse Law (as amended by RPPL 7-55) defines abuse, neglect and sexual abuse; requires responsible officials to report suspected cases to the Office of the Attorney General within 48 hours; suspends the normal privileges of communications between spouses and doctors' clients in matters related to abuse; and provides for criminal penalties upon conviction ranging from a fine of not less than USD 1,000 to not more than USD 50,000 or imprisonment of not less than 6 months to 25 years or both.
- 5) Title 17 PNC Chapter 36 Section 3601 is the Anti-Prostitution Act, passed in 1997 and amended in 2002. The amended act raised the fines to no less than USD 2,500 and no more than USD 10,000 and up to one year's imprisonment. Although there have been several high-profile cases regarding prostitution, there are no major convictions on record.

The three national government agencies responsible for intervening in suspected cases of abuse, neglect and sexual abuse are the Bureau of Public Safety, the Office of the Attorney General and the Victims of Crime and Assistance section within the Ministry of Health. No legislation specifically addresses exploitation of children via sexually explicit videos, movies, photos and electronic images. There are anecdotal reports of children being exploited through payment for posing for sexually explicit photographs, but these reports could not be substantiated for this analysis.

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³⁴ Republic of Palau Public Law (RPPL) 8-51 Senate Bill 8-147, SDA-HD2. The 2012 Palau Family Protection Act.

³⁵ Palau National Code Annotated Vol 1 . Constitution Titles 1-29 1995. Orakiruu Corporation, Koror, Palau.

According to the data from the 2015 Human Development Report³⁶, Palau has a Human Development Index (HDI) of 0.780, and occupies 60th place in global ranking with a high HDI. There are no figures within the Report relating to Palau's Gender Inequality Index (GII). Literacy rate was recorded to be 99.5% at ages 15 and older. Unemployment was at 4.2%.

Inequality in education shows 12 percentage points while inequality in income shows 23 percentage points (there were no other figures available within the inequality indices).

Palau achieved several of the Millennium Development Goal Targets including universal p[primary enrollment for boys and girls; the elimination of gender disparity in primary and secondary education; low child and maternal mortality rates; access to safe drinking water. Absolute poverty and unemployment are close to non-existent although under-employment persists.

Women's Participation in the Traditional Fishing Sector

Traditionally, Pacific islanders have relied on marine resources as their main source of food, and fishing skills and knowledge were recognized as the status symbol of both wisdom and masculinity among many Pacific cultures. Likewise, in Palau, fishers were highly esteemed members of the community with fishing being central to the organization of Palauan communities, embodying the gender dichotomy and social stratification, which still supports the basis of the socio-cultural dynamics of the society. In Palauan tradition, for instance, women have traditionally engaged in reef gleaning activities (e.g. for Bêche-de-mer, mud crab coconut crab, etc.) and farming of taro, while men capture fin fish which make up the majority of the Palauan diet.

Prior to colonization, Palauan society was organized into separate communities, each with its own respective chief. Between communities, land and sea barriers were continuous, and each community had proprietorship of sections of the coastline and reef. From ownership of and responsibility for a defined geographical area came a natural conservation ethic. Much of this has now been lost with the onset of modern democracy. Even in the midst of this modernization, fishing has remained both economically and culturally important and is practiced regularly for subsistence purposes, though not commercially, by many Palauans both in their urban and rural settings. However, the centralization of marine resource management to the contemporary governing body has had negative effects on Palauan fishing culture and fish populations from the early days of the Palauan modernization as it slowly replaced the power of traditional community based management (TCBM) system which was based on the indigenous chieftainship³⁷.

Women's Participation in the Tourism Sector

Palau has had women heading up its Tourism Board and, in fact, In Oceania, 42% of tourist boards with data were headed by a woman. The Marshall Islands, Palau, Vanuatu, Niue and Samoa all have a woman chair of the tourism board.

Activities and Goals of the Plan to Incorporate Gender into the Project

Within the framework of the project, the actions that will be implemented comply with the following criteria for equality: a) involve women and youth groups; b) ensure equal income among all groups when engaged in the same activity; c) provide equal opportunities for access to training and incentives for sustainable production; and d) equal participation in decision making.

³⁶ UNDP. 2015 Human Development Report, Work for Human Development.

³⁷ Lingard, S., Harper, S. Ota, Y. and Zeller, D. (2011) Marine Fisheries of Palau, 1950-2008: Total reconstructed catch. pp.73- 84. In: Harper, S. and Zeller, D. (eds.) Fisheries catch reconstructions: Islands, Part II. Fisheries Centre Research Reports 19(4). Fisheries Centre, University of British Columbia [ISSN 1198-6727].

The presence of the PNMS 'no-take 'zone is not expected to have any negative effects on gender equality as the main fishery that existed in that area was licensed to foreign vessels. The project will consider the contributions made by women to the fishing sector and help to identify opportunities arising as a result of the establishment of the Domestic Fishing Zone. One expected improvement will result from the need for DWFN vessels to land their catches in Palau for onward shipment and/or local consumption. This will encourage processing facilities to establish which will provide further employment. This work is traditionally the role of women in the South Pacific.

Further opportunities will include the following:

- Strengthening the legal and institutional framework for the Palau National Marine Sanctuary and Domestic Fishing Zone thereby creating conditions to promote gender equality within this framework.
- Promoting and making use of the Value of traditional knowledge and biodiversity conservation practices by women.
- Recognition and expansion of the importance and role of women in marine production systems (fishing, tourism, etc.)
- Recognizing the interest of women to increase family income and develop sustainable production activities.
- Targeting and promoting women's interests and knowledge improvement in production processes and sustainable management of biodiversity, particularly through capacity building and training

PROJECT GENDER MAINSTREAMING PLAN

Gender Related Activity	Indicator	Target	Baseline	Timeline	Responsibility
Outcome 1.1. PNMS Institutional and Management Framework Strengthened and under Implementation					
Develop a 5-year Strategic Management Plan and Road-Map that includes gender mainstreaming and equal involvement of women	Strategic management Plan embraces the role/need for gender equality	5-year Strategic Management Plan implemented with gender involvement and mainstreaming	No active 5-year plan at present	Within 18 months (by mid-term)	PICRC-PCU/MoJ
Promote the equal participation of men and women in capacity-building and training activities	Percentage of men and women participating in capacity building and training activities	At least 30%	< 10%	By Year 3	PICRC - PCU/MoJ
Outcome 1.2. PNMS Regulatory Framework Strengthened and under Implementation					
Balanced gender involvement in development and delivery of an MCS Action Plan	Number of women engaged directly in managing and delivering the MCS Action Plan	40% of related human resources	0%	By mid-term review	MoJ/DMLE
Balanced gender involvement in ecosystem monitoring and scientific data management	Project and PICRC staff undertaking ecosystem/scientific monitoring include reasonable proportion of trained women	30% of engaged scientific staff	< 10%	By Year 3	PICRC and Partners
Outcome 2.1. Broader enforcement and monitoring of activities within the PNMS and Domestic Fishing Zone In further close collaboration with WCPFC, FFA and PNA					
Promote women into the surveillance and enforcement roles and responsibilities related to illegal activities within PNMS and DFZ	Percentage of women within the PNMS/DFZ Operations Centre and on patrol vessels and aircraft (as appropriate)	At least 25%	< 5% overall. Operations Centre not currently staffed on a regular basis	By mid-term	MoJ/DMLE and Partners
Promote greater participation by women in the processes related to sustainable fishing, particularly through the use	Percentage of women participating in MCS and other fisheries management processes relying on innovative technologies such as FAD tracking E-Reporting/Monitoring, etc.	At least 25%	0 %	End of year 2	MoJ/DMLE. Enforcement Partners

Gender Related Activity	Indicator	Target	Baseline	Timeline	Responsibility
of innovative technology					
Outcome 3.1. PNMS Financial and Socio-Economic Sustainability Established and Secured					
Strengthen and increase the gender balance within the national ecotourism sector	Number of women working directly in ecotourism	An increase of 30% of women working in the tourism sector	< 30%	End of Year 2	Ministry of Tourism through the PNMS Sub-Committee
Increase the involvement of women in improved livelihood opportunities associated with the blue economy	Number of women creating and setting up new livelihoods as a result of improved opportunities under a growing blue economy	An increase of 35% of women setting up new businesses related to the new opportunities created by the blue economy	0 %	End of Project – Terminal Evaluation	Various Ministries including Natural Resources, Environment & Tourism Public and Infrastructure, Industries and Commerce
Outcome 4.1. Knowledge Management, Communication and Awareness focusing on outreach to stakeholders including the national and international community					
Capture of Best Lessons and Practices related to gender mainstreaming and gender opportunities improvement from other projects and initiatives	Improvements generally in gender engagement and mainstreaming throughout the PNMS project	Overall increase in involvement of women as a direct result of advice/ Experience Notes from other projects/initiatives. Increase four-fold by end of project	Low levels of gender mainstreaming at start of project	Terminal Evaluation	PICRC-PCU
Capture of Best Lessons and Practices related to gender mainstreaming and gender opportunities from PNMS project for further distribution and replication	Experience Notes from Project on BL&P related to gender mainstreaming	Delivery to IW:LEARN and other appropriate distribution networks for the guidance of other projects	Current limited examples of gender mainstreaming within large-scale MPAs and national fisheries management projects/initiatives	Terminal Evaluation	All Project Partners; IW:LEARN
Develop an information and communication strategy to raises awareness among public and private decision-makers of the importance of	Percentage of women decision-makers targeted by the information and communication strategy percentage of women in general population targeted for awareness raising	At least 40% of targeted decision-makers At least 40% of targeted general population	0% 0%	By year 3	Project Communications and Awareness personnel

Gender Related Activity	Indicator	Target	Baseline	Timeline	Responsibility
conservation and sustainable use of marine ecosystems and associated biodiversity including considering the role of and impact on women and youth needs and priorities					
Outcome 4.2. Effective Project Management, Monitoring and Evaluation					
Project Management demonstrates good gender mainstreaming	Acceptable balance of gender within the project staff and partnerships	40% of personnel engaged in project activities are women as appropriate to skill levels	0 % (no current project)	Mid-Term and End of Project	PCU, UNDP, all Partners

Annex 8: GEF Core Indicators

Core Indicator 1	Terrestrial protected areas created or under improved management for conservation and sustainable use					(Hectares)		
	<i>Hectares (1.1+1.2)</i>							
	<i>Expected</i>				<i>Achieved</i>			
	PIF stage	Endorsement	MTR	TE				
Indicator 1.1	Terrestrial protected areas newly created							
Name of Protected Area	WDPA ID	IUCN category	Hectares					
			Expected		Achieved			
		PIF stage	Endorsement	MTR	TE			
		(select)						
	(select)							
	Sum							
Indicator 1.2	Terrestrial protected areas under improved management effectiveness							
Name of Protected Area	WDPA ID	IUCN category	Hectares	METT Score				
				Baseline		Achieved		
		PIF stage	Endorsement	MTR	TE			
		(select)						
	(select)							
	Sum							
Core Indicator 2	Marine protected areas created or under improved management for conservation and sustainable use					47.5 million Hectares		
	<i>Hectares (2.1+2.2)</i>							
	<i>Expected</i>				<i>Achieved</i>			
	PIF stage	Endorsement	MTR	TE				
Indicator 2.1	Marine protected areas newly created							
Name of Protected Area	WDPA ID	IUCN category	Hectares					
			Expected		Achieved			
		PIF stage	Endorsement	MTR	TE			
		(select)						
	(select)							
	Sum							
Indicator 2.2	Marine protected areas under improved management effectiveness							
Name of Protected Area	WDPA ID	IUCN category	Hectares	METT Score				
				Baseline		Achieved		
		PIF stage	Endorsement	MTR	TE			
	<i>PNMS</i>	(select)	<i>47.5 million</i>					
	(select)							
	Sum							
Core Indicator 3	Area of land restored					(Hectares)		
	<i>Hectares (3.1+3.2+3.3+3.4)</i>							
	<i>Expected</i>				<i>Achieved</i>			
	PIF stage	Endorsement	MTR	TE				
Indicator 3.1	Area of degraded agricultural land restored							
			Hectares					
			Expected		Achieved			
		PIF stage	Endorsement	MTR	TE			
Indicator 3.2	Area of forest and forest land restored							
			Hectares					
			Expected		Achieved			
		PIF stage	Endorsement	MTR	TE			

Indicator 3.3	Area of natural grass and shrublands restored					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 3.4	Area of wetlands (including estuaries, mangroves) restored					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Core Indicator 4	Area of landscapes under improved practices (hectares; excluding protected areas)					(Hectares)
			Hectares (4.1+4.2+4.3+4.4)			
			Expected		Expected	
			PIF stage	Endorsement	MTR	TE
Indicator 4.1	Area of landscapes under improved management to benefit biodiversity					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 4.2	Area of landscapes that meet national or international third-party certification that incorporates biodiversity considerations					
Third party certification(s):			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 4.3	Area of landscapes under sustainable land management in production systems					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 4.4	Area of High Conservation Value Forest (HCVF) loss avoided					
Include documentation that justifies HCVF			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Core Indicator 5	Area of marine habitat under improved practices to benefit biodiversity					11.8 million
Indicator 5.1	Number of fisheries that meet national or international third-party certification that incorporates biodiversity considerations					
Third party certification(s):			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 5.2	Number of large marine ecosystems (LMEs) with reduced pollution and hypoxia					
			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 5.3	Amount of Marine Litter Avoided					

			Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Core Indicator 6	Greenhouse gas emission mitigated					(Metric tons of CO₂e)
			Expected metric tons of CO ₂ e (6.1+6.2)			
			PIF stage	Endorsement	MTR	TE
		Expected CO ₂ e (direct)				
		Expected CO ₂ e (indirect)				
Indicator 6.1	Carbon sequestered or emissions avoided in the AFOLU sector					
			Expected metric tons of CO ₂ e			
			PIF stage	Endorsement	MTR	TE
		Expected CO ₂ e (direct)				
		Expected CO ₂ e (indirect)				
		Anticipated start year of accounting				
		Duration of accounting				
Indicator 6.2	Emissions avoided Outside AFOLU					
			Expected metric tons of CO ₂ e			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
		Expected CO ₂ e (direct)				
		Expected CO ₂ e (indirect)				
		Anticipated start year of accounting				
		Duration of accounting				
Indicator 6.3	Energy saved					
			MJ			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 6.4	Increase in installed renewable energy capacity per technology					
		Technology	Capacity (MW)			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
		(select)				
		(select)				
Core Indicator 7	Number of shared water ecosystems (fresh or marine) under new or improved cooperative management					(Number)
Indicator 7.1	Level of Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
Indicator 7.2	Level of Regional Legal Agreements and Regional Management Institutions to support its implementation					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
Indicator 7.3	Level of National/Local reforms and active participation of Inter-Ministerial Committees					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE

Indicator 7.4	Level of engagement in IWLEARN through participation and delivery of key products					
		Shared water ecosystem	Rating (scale 1-4)			
			Rating		Rating	
			PIF stage	Endorsement	MTR	TE
Core Indicator 8	Globally over-exploited fisheries Moved to more sustainable levels					(Metric Tons)
Fishery Details	21,250 Metric Tons Per Annum					
Fisheries figures for 2014 prior to establishment of PNMS no-take zone			PIF stage	Endorsement	MTR	TE
			0			
Core Indicator 9	Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials and products					(Metric Tons)
			Metric Tons (9.1+9.2+9.3)			
			Expected		Achieved	
			PIF stage	PIF stage	MTR	TE
Indicator 9.1	Solid and liquid Persistent Organic Pollutants (POPs) removed or disposed (POPs type)					
			Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
	(select)	(select)	(select)			
	(select)	(select)	(select)			
	(select)	(select)	(select)			
Indicator 9.2	Quantity of mercury reduced					
			Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 9.3	Hydrochlorofluorocarbons (HCFC) Reduced/Phased out					
			Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 9.4	Number of countries with legislation and policy implemented to control chemicals and waste					
			Number of Countries			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 9.5	Number of low-chemical/non-chemical systems implemented particularly in food production, manufacturing and cities					
		Technology	Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 9.6	Quantity of POPs/Mercury containing materials and products directly avoided					
			Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	PIF stage	Endorsement
Core Indicator 10	Reduction, avoidance of emissions of POPs to air from point and non-point sources					(grams of toxic equivalent gTEQ)
Indicator 10.1	Number of countries with legislation and policy implemented to control emissions of POPs to air					

			Number of Countries			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 10.2	Number of emission control technologies/practices implemented					
			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Core Indicator 11	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment					(Number)
			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
		Female	9000			
		Male	11000			
		Total	20000			

Annex 9: GEF 7 Taxonomy

Level 1	Level 2	Level 3	Level 4
<input checked="" type="checkbox"/> Influencing models			
	<input checked="" type="checkbox"/> Transform policy and regulatory environments		
	<input checked="" type="checkbox"/> Strengthen institutional capacity and decision-making		
	<input checked="" type="checkbox"/> Convene multi-stakeholder alliances		
	<input checked="" type="checkbox"/> Demonstrate innovative approaches		
	<input checked="" type="checkbox"/> Deploy innovative financial instruments		
<input checked="" type="checkbox"/> Stakeholders			
	<input checked="" type="checkbox"/> Indigenous Peoples		
	<input type="checkbox"/> Private Sector		
		<input type="checkbox"/> Capital providers	
		<input type="checkbox"/> Financial intermediaries and market facilitators	
		<input type="checkbox"/> Large corporations	
		<input type="checkbox"/> SMEs	
		<input type="checkbox"/> Individuals/Entrepreneurs	
		<input type="checkbox"/> Non-Grant Pilot	
		<input type="checkbox"/> Project Reflow	
	<input checked="" type="checkbox"/> Beneficiaries		
	<input checked="" type="checkbox"/> Local Communities		
	<input checked="" type="checkbox"/> Civil Society		
		<input checked="" type="checkbox"/> Community Based Organization	
		<input checked="" type="checkbox"/> Non-Governmental Organization	
		<input checked="" type="checkbox"/> Academia	
		<input type="checkbox"/> Trade Unions and Workers Unions	
	<input checked="" type="checkbox"/> Type of Engagement		
		<input checked="" type="checkbox"/> Information Dissemination	
		<input checked="" type="checkbox"/> Partnership	
		<input checked="" type="checkbox"/> Consultation	
		<input checked="" type="checkbox"/> Participation	
	<input checked="" type="checkbox"/> Communications		
		<input checked="" type="checkbox"/> Awareness Raising	
		<input checked="" type="checkbox"/> Education	
		<input type="checkbox"/> Public Campaigns	
		<input checked="" type="checkbox"/> Behavior Change	
<input checked="" type="checkbox"/> Capacity, Knowledge and Research			
	<input type="checkbox"/> Enabling Activities		
	<input checked="" type="checkbox"/> Capacity Development		
	<input checked="" type="checkbox"/> Knowledge Generation and Exchange		
	<input checked="" type="checkbox"/> Targeted Research		
	<input checked="" type="checkbox"/> Learning		
		<input checked="" type="checkbox"/> Theory of Change	
		<input checked="" type="checkbox"/> Adaptive Management	
		<input checked="" type="checkbox"/> Indicators to Measure Change	
	<input checked="" type="checkbox"/> Innovation		
	<input checked="" type="checkbox"/> Knowledge and Learning		
		<input checked="" type="checkbox"/> Knowledge Management	
		<input checked="" type="checkbox"/> Innovation	
		<input checked="" type="checkbox"/> Capacity Development	
		<input checked="" type="checkbox"/> Learning	
	<input checked="" type="checkbox"/> Stakeholder Engagement Plan		
<input checked="" type="checkbox"/> Gender Equality			
	<input checked="" type="checkbox"/> Gender Mainstreaming		
		<input checked="" type="checkbox"/> Beneficiaries	

		<input checked="" type="checkbox"/> Women groups	
		<input checked="" type="checkbox"/> Sex-disaggregated indicators	
		<input checked="" type="checkbox"/> Gender-sensitive indicators	
	<input checked="" type="checkbox"/> Gender results areas		
		<input type="checkbox"/> Access and control over natural resources	
		<input checked="" type="checkbox"/> Participation and leadership	
		<input checked="" type="checkbox"/> Access to benefits and services	
		<input checked="" type="checkbox"/> Capacity development	
		<input checked="" type="checkbox"/> Awareness raising	
		<input checked="" type="checkbox"/> Knowledge generation	
<input type="checkbox"/> Focal Areas/Theme			
	<input type="checkbox"/> Integrated Programs		
		<input type="checkbox"/> Commodity Supply Chains (Good Growth Partnership)	
			<input type="checkbox"/> Sustainable Commodities Production
			<input type="checkbox"/> Deforestation-free Sourcing
			<input type="checkbox"/> Financial Screening Tools
			<input type="checkbox"/> High Conservation Value Forests
			<input type="checkbox"/> High Carbon Stocks Forests
			<input type="checkbox"/> Soybean Supply Chain
			<input type="checkbox"/> Oil Palm Supply Chain
			<input type="checkbox"/> Beef Supply Chain
			<input type="checkbox"/> Smallholder Farmers
			<input type="checkbox"/> Adaptive Management
		<input type="checkbox"/> Food Security in Sub-Saharan Africa	
			<input type="checkbox"/> Resilience (climate and shocks)
			<input type="checkbox"/> Sustainable Production Systems
			<input type="checkbox"/> Agroecosystems
			<input type="checkbox"/> Land and Soil Health
			<input type="checkbox"/> Diversified Farming
			<input type="checkbox"/> Integrated Land and Water Management
			<input type="checkbox"/> Smallholder Farming
			<input type="checkbox"/> Small and Medium Enterprises
			<input type="checkbox"/> Crop Genetic Diversity
			<input type="checkbox"/> Food Value Chains
			<input type="checkbox"/> Gender Dimensions
			<input type="checkbox"/> Multi-stakeholder Platforms
		<input type="checkbox"/> Food Systems, Land Use and Restoration	
			<input type="checkbox"/> Sustainable Food Systems
			<input type="checkbox"/> Landscape Restoration
			<input type="checkbox"/> Sustainable Commodity Production
			<input type="checkbox"/> Comprehensive Land Use Planning
			<input type="checkbox"/> Integrated Landscapes
			<input type="checkbox"/> Food Value Chains
			<input type="checkbox"/> Deforestation-free Sourcing
			<input type="checkbox"/> Smallholder Farmers
		<input type="checkbox"/> Sustainable Cities	
			<input type="checkbox"/> Integrated urban planning
			<input type="checkbox"/> Urban sustainability framework
			<input type="checkbox"/> Transport and Mobility
			<input type="checkbox"/> Buildings
			<input type="checkbox"/> Municipal waste management
			<input type="checkbox"/> Green space
			<input type="checkbox"/> Urban Biodiversity
			<input type="checkbox"/> Urban Food Systems
			<input type="checkbox"/> Energy efficiency
			<input type="checkbox"/> Municipal Financing
			<input type="checkbox"/> Global Platform for Sustainable Cities
			<input type="checkbox"/> Urban Resilience
	<input checked="" type="checkbox"/> Biodiversity		

		<input checked="" type="checkbox"/> Protected Areas and Landscapes	
			<input type="checkbox"/> Terrestrial Protected Areas
			<input checked="" type="checkbox"/> Coastal and Marine Protected Areas
			<input type="checkbox"/> Productive Landscapes
			<input checked="" type="checkbox"/> Productive Seascapes
			<input type="checkbox"/> Community Based Natural Resource Management
		<input checked="" type="checkbox"/> Mainstreaming	
			<input type="checkbox"/> Extractive Industries (oil, gas, mining)
			<input type="checkbox"/> Forestry (Including HCVF and REDD+)
			<input type="checkbox"/> Tourism
			<input type="checkbox"/> Agriculture & agrobiodiversity
			<input type="checkbox"/> Fisheries
			<input type="checkbox"/> Infrastructure
			<input checked="" type="checkbox"/> Certification (National Standards)
			<input checked="" type="checkbox"/> Certification (International Standards)
		<input checked="" type="checkbox"/> Species	
			<input type="checkbox"/> Illegal Wildlife Trade
			<input checked="" type="checkbox"/> Threatened Species
			<input type="checkbox"/> Wildlife for Sustainable Development
			<input type="checkbox"/> Crop Wild Relatives
			<input type="checkbox"/> Plant Genetic Resources
			<input type="checkbox"/> Animal Genetic Resources
			<input type="checkbox"/> Livestock Wild Relatives
			<input type="checkbox"/> Invasive Alien Species (IAS)
		<input checked="" type="checkbox"/> Biomes	
			<input type="checkbox"/> Mangroves
			<input checked="" type="checkbox"/> Coral Reefs
			<input type="checkbox"/> Sea Grasses
			<input type="checkbox"/> Wetlands
			<input type="checkbox"/> Rivers
			<input type="checkbox"/> Lakes
			<input type="checkbox"/> Tropical Rain Forests
			<input type="checkbox"/> Tropical Dry Forests
			<input type="checkbox"/> Temperate Forests
			<input type="checkbox"/> Grasslands
			<input type="checkbox"/> Paramo
			<input type="checkbox"/> Desert
		<input checked="" type="checkbox"/> Financial and Accounting	
			<input type="checkbox"/> Payment for Ecosystem Services
			<input type="checkbox"/> Natural Capital Assessment and Accounting
			<input checked="" type="checkbox"/> Conservation Trust Funds
			<input checked="" type="checkbox"/> Conservation Finance
		<input type="checkbox"/> Supplementary Protocol to the CBD	
			<input type="checkbox"/> Biosafety
			<input type="checkbox"/> Access to Genetic Resources Benefit Sharing
	<input type="checkbox"/> Forests		
		<input type="checkbox"/> Forest and Landscape Restoration	
			<input type="checkbox"/> REDD/REDD+
		<input type="checkbox"/> Forest	
			<input type="checkbox"/> Amazon
			<input type="checkbox"/> Congo
			<input type="checkbox"/> Drylands
	<input type="checkbox"/> Land Degradation		
		<input type="checkbox"/> Sustainable Land Management	
			<input type="checkbox"/> Restoration and Rehabilitation of Degraded Lands
			<input type="checkbox"/> Ecosystem Approach

			<input type="checkbox"/> Integrated and Cross-sectoral approach
			<input type="checkbox"/> Community-Based NRM
			<input type="checkbox"/> Sustainable Livelihoods
			<input type="checkbox"/> Income Generating Activities
			<input type="checkbox"/> Sustainable Agriculture
			<input type="checkbox"/> Sustainable Pasture Management
			<input type="checkbox"/> Sustainable Forest/Woodland Management
			<input type="checkbox"/> Improved Soil and Water Management Techniques
			<input type="checkbox"/> Sustainable Fire Management
			<input type="checkbox"/> Drought Mitigation/Early Warning
		<input type="checkbox"/> Land Degradation Neutrality	
			<input type="checkbox"/> Land Productivity
			<input type="checkbox"/> Land Cover and Land cover change
			<input type="checkbox"/> Carbon stocks above or below ground
		<input type="checkbox"/> Food Security	
	<input type="checkbox"/> International Waters		
		<input type="checkbox"/> Ship	
		<input type="checkbox"/> Coastal	
		<input type="checkbox"/> Freshwater	
			<input type="checkbox"/> Aquifer
			<input type="checkbox"/> River Basin
			<input type="checkbox"/> Lake Basin
		<input type="checkbox"/> Learning	
		<input type="checkbox"/> Fisheries	
		<input type="checkbox"/> Persistent toxic substances	
		<input type="checkbox"/> SIDS : Small Island Dev States	
		<input type="checkbox"/> Targeted Research	
		<input type="checkbox"/> Pollution	
			<input type="checkbox"/> Persistent toxic substances
			<input type="checkbox"/> Plastics
			<input type="checkbox"/> Nutrient pollution from all sectors except wastewater
			<input type="checkbox"/> Nutrient pollution from Wastewater
		<input type="checkbox"/> Transboundary Diagnostic Analysis and Strategic Action Plan preparation	
		<input type="checkbox"/> Strategic Action Plan Implementation	
		<input type="checkbox"/> Areas Beyond National Jurisdiction	
		<input type="checkbox"/> Large Marine Ecosystems	
		<input type="checkbox"/> Private Sector	
		<input type="checkbox"/> Aquaculture	
		<input type="checkbox"/> Marine Protected Area	
		<input type="checkbox"/> Biomes	
			<input type="checkbox"/> Mangrove
			<input type="checkbox"/> Coral Reefs
			<input type="checkbox"/> Seagrasses
			<input type="checkbox"/> Polar Ecosystems
			<input type="checkbox"/> Constructed Wetlands
	<input type="checkbox"/> Chemicals and Waste		
		<input type="checkbox"/> Mercury	
		<input type="checkbox"/> Artisanal and Scale Gold Mining	
		<input type="checkbox"/> Coal Fired Power Plants	
		<input type="checkbox"/> Coal Fired Industrial Boilers	
		<input type="checkbox"/> Cement	
		<input type="checkbox"/> Non-Ferrous Metals Production	
		<input type="checkbox"/> Ozone	
		<input type="checkbox"/> Persistent Organic Pollutants	
		<input type="checkbox"/> Unintentional Persistent Organic Pollutants	

	<input type="checkbox"/> Sound Management of chemicals and Waste	
	<input type="checkbox"/> Waste Management	
		<input type="checkbox"/> Hazardous Waste Management
		<input type="checkbox"/> Industrial Waste
		<input type="checkbox"/> e-Waste
	<input type="checkbox"/> Emissions	
	<input type="checkbox"/> Disposal	
	<input type="checkbox"/> New Persistent Organic Pollutants	
	<input type="checkbox"/> Polychlorinated Biphenyls	
	<input type="checkbox"/> Plastics	
	<input type="checkbox"/> Eco-Efficiency	
	<input type="checkbox"/> Pesticides	
	<input type="checkbox"/> DDT - Vector Management	
	<input type="checkbox"/> DDT - Other	
	<input type="checkbox"/> Industrial Emissions	
	<input type="checkbox"/> Open Burning	
	<input type="checkbox"/> Best Available Technology / Best Environmental Practices	
	<input type="checkbox"/> Green Chemistry	
<input type="checkbox"/> Climate Change		
	<input type="checkbox"/> Climate Change Adaptation	
		<input type="checkbox"/> Climate Finance
		<input type="checkbox"/> Least Developed Countries
		<input type="checkbox"/> Small Island Developing States
		<input type="checkbox"/> Disaster Risk Management
		<input type="checkbox"/> Sea-level rise
		<input type="checkbox"/> Climate Resilience
		<input type="checkbox"/> Climate information
		<input type="checkbox"/> Ecosystem-based Adaptation
		<input type="checkbox"/> Adaptation Tech Transfer
		<input type="checkbox"/> National Adaptation Programme of Action
		<input type="checkbox"/> National Adaptation Plan
		<input type="checkbox"/> Mainstreaming Adaptation
		<input type="checkbox"/> Private Sector
		<input type="checkbox"/> Innovation
		<input type="checkbox"/> Complementarity
		<input type="checkbox"/> Community-based Adaptation
		<input type="checkbox"/> Livelihoods
	<input type="checkbox"/> Climate Change Mitigation	
		<input type="checkbox"/> Agriculture, Forestry, and other Land Use
		<input type="checkbox"/> Energy Efficiency
		<input type="checkbox"/> Sustainable Urban Systems and Transport
		<input type="checkbox"/> Technology Transfer
		<input type="checkbox"/> Renewable Energy
		<input type="checkbox"/> Financing
		<input type="checkbox"/> Enabling Activities
	<input type="checkbox"/> Technology Transfer	
		<input type="checkbox"/> Poznan Strategic Programme on Technology Transfer
		<input type="checkbox"/> Climate Technology Centre & Network (CTCN)
		<input type="checkbox"/> Endogenous technology
		<input type="checkbox"/> Technology Needs Assessment
		<input type="checkbox"/> Adaptation Tech Transfer
	<input type="checkbox"/> United Nations Framework on Climate Change	
		<input type="checkbox"/> Nationally Determined Contribution

Annex 10: Linkages between the Project Outcomes and Sustainable Development Goal 14 and its Targets/Indicators (To Conserve and Sustainably Use the Oceans, Seas and Marine Resources for Sustainable Development)

SDG 14 Target	Related SDG 14 Indicator	Outcomes and Outputs within the Project which will support the delivery of SDG 14 Targets and Indicators
1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	Index of coastal eutrophication and floating plastic debris density	Ecosystem Monitoring will capture data on pollutants generally throughout the EEZ
2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	Proportion of national exclusive economic zones managed using ecosystem-based approaches	Entire EEZ of Palau will be managed through an Ecosystem-based approach (PNMS and DFZ)
3: Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels	Average marine acidity (pH) measured at agreed suite of representative sampling stations	Sampling stations will be set up throughout the EEZ which will capture data on many parameters including pH
4: By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics	Proportion of fish stocks within biologically sustainable levels	Harvesting will be regulated and IUU controlled throughout the entire EEZ so as to keep fish stocks within biologically sustainable levels. No fishing will be allowed in 80% of the EEZ (PNMS) and strictly controlled fishing based on adaptive, science-based management plans and harvest strategies will control fishing in the DFZ and focus on Maximum Economic Yield which would naturally be somewhat lower and more sustainable than MSY
5: By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information	Coverage of protected areas in relation to marine areas	This will protect 80% of EEZ and strictly manage a further 20%, a total of approximately 60 million hectares representing over 90% of Palau's jurisdictional waters

SDG 14 Target	Related SDG 14 Indicator	Outcomes and Outputs within the Project which will support the delivery of SDG 14 Targets and Indicators
<p>6: By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation</p>	<p>Progress by countries in the degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing</p>	<p>Palau is fully signed up to the appropriate international instruments that combat IUU, particularly through WCPF Convention and PNA</p>
<p>7: By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism</p>	<p>Sustainable fisheries as a percentage of GDP in small island developing States, least developed countries and all countries</p>	<p>A more sustainably managed domestic fisheries market will provide food security to Palau and the overall management of marine resources will increase the revenues from ecotourism while maintaining the health of the goods and services provided by the ecosystem which account for more than half of the national GDP</p>
<p>A: Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular SID States and least developed countries</p>	<p>Proportion of total research budget allocated to research in the field of marine technology</p>	<p>The project and the improved management of the PNMS and DFZ (particularly the scientific and ecosystem monitoring) will increase scientific knowledge, develop research capacity and develop and test innovative marine technology that can be replicated in other SIDS. A significant increase in the research budget will be leveraged through the planned partnerships</p>
<p>B: Provide access for small-scale artisanal fishers to marine resources and markets</p>	<p>Progress by countries in the degree of application of a legal/regulatory/policy/institutional framework which recognizes and protects access rights for small-scale fisheries</p>	<p>Small-scale fisheries will have greater access to domestic markets and will provide increased food security to local communities</p>

SDG 14 Target	Related SDG 14 Indicator	Outcomes and Outputs within the Project which will support the delivery of SDG 14 Targets and Indicators
<p>C: Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in UNCLOS, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of The Future We Want</p>	<p>Number of countries making progress in ratifying, accepting and implementing through legal, policy and institutional frameworks, ocean-related instruments that implement international law, as reflected in the United Nation Convention on the Law of the Sea, for the conservation and sustainable use of the oceans and their resources</p>	<p>This project will meet many of the requirements of those sections of UNCLOS dealing with conservation and sustainable use of oceans and directly responds to paragraph 158 of the Future We Want.</p>

Annex 11: Climate Risk Screening

Current and Projected Climate Vulnerabilities

Climate change is a very real concern for Palau. The Western and Central Pacific Ocean region is growing continually more concerned about the effects of climate change on the distribution and resilience of tuna stocks. Tuna stock ranges show evidence of altering, expanding and probably moving eastwards as a result of climate change. This could have a number of socioeconomic impacts on the Pacific SIDS but also create a negative food-chain cascade within the ecosystem itself in relation to the PNMS. Furthermore, associated sea level rise threatens the jurisdictional boundaries for the Pacific SIDS which in turn would disrupt fisheries and ecosystem management boundaries, arrangements and mechanisms, potentially creating more high seas areas while reducing the area of exclusive economic control for individual SIDS and this could be a long-term issue for Palau. It is important to note that although marine reserves may not be immune to the effects of climate change, to date, reserves with complex ecosystems are seen to be more resilient than unprotected areas. In fact, highly protected areas have proved to be six times more resilient to the effects of climate change than unprotected areas³⁸. The waters within the PNMS are known to be important migratory and spawning grounds for several tuna species. In this context, this project will provide benefits in terms of climate change mitigation beyond the boundaries of the no-take zone and with potentially positive consequences for the rest of the tuna stocks in the Western and Central Pacific Ocean.

Options of Managing Climate Vulnerabilities to Ensure Durability of Outcomes

Climate vulnerability and its drivers is a high priority to this region (WCPO and its SIDS) as a whole and is the subject of much scientific study and modelling. One obvious example of how the region is trying to address this issue is through SEAPODYM³⁹ which has been initiated by the Oceanic Fisheries Programme of the Secretariat of the Pacific Community (SPC) and developed under several European development projects. The objective was to propose new management tools taking into account both the fishing impact and environmental variability. SEAPODYM recognises that marine resources are too often depleted due to overfishing and illegal, unreported, and unregulated fishing, climate change and pollution. This pressure, along with the additional effects of global warming, might lead to fish stocks collapses. One component of SEAPODYM is looking at the Tuna Fisheries of the Western and Central Pacific Ocean. Its purpose is to increase the capacity of Pacific Island Countries to negotiate adaptations that will enhance the resilience of tuna stocks and fisheries to the effects of IPCC projected global warming scenarios during the 21st century, by building on and extending the model development and applications already undertaken. These analyses will provide a synthesis of how the distributions of tuna stocks are likely to shift with climate change. It will provide information that Pacific Island Countries require to evaluate and select appropriate adaptation measures⁴⁰. The Strategic Action Programme for the Sustainable Management of Living Oceanic Resources by the Small Island Developing States of the Western and Central Pacific (WCPO-SAP) recognises that, with the on-going climate change impacts and loss of coastal habitat coupled to rising population levels and overfishing at the coastal level, it would now be appropriate to look at alternative sources of food security on most of the SIDS in this region. These could include expanding the development and use of nearshore fish aggregating devices (FADs) to assist small-scale fishers in catching tuna as well as promoting the distribution of small tuna and bycatch offloaded by industrial fleets at regional ports. For Palau, this is built into the planning and legal requirements for the Domestic Fishing Zone alongside the PNMS

Strategy for Monitoring, Evaluation and Learning related to Climate Change.

The WCPO-SAP includes the intent to undertake studies to ascertain the interconnectivity between coastal changes and impacts related to climate change and offshore effects and impacts on the oceanic fisheries (e.g. larval tuna/top predator forage and larval tuna). This SAP is being implemented through a regional project

³⁸ **No-take marine reserves are the most effective protected areas in the ocean.** Sala, A. and Giakoumi, S. August 2017 *ICES Journal of Marine Science* 75(3). DOI: 10.1093/icesjms/fsx059

³⁹ <http://www.seapodym.eu/about-seapodym/> accessed 19 Nov 2020.

⁴⁰ <http://www.seapodym.eu/project/climate-change-wcpo-tuna/> accessed 19 Nov 2020.

entitled Mainstreaming Climate Change and Ecosystem-Based Approaches into the Sustainable Management of the Highly Migratory Fish Stocks of the Western and Central Pacific Ocean. Palau is one of 14 beneficiary parties to this Project which is currently being finalised for submission to GEF through a Project Preparation Grant. The SAP also addresses the need for improved and continuous assessments of the likely socioeconomic effects from these impacts from climate change. One of the commitments made by Palau through its formal endorsement of the SAP is to ‘Strengthen and expand data capture, predictive modelling and assessment, and subsequent adaptive management recommendations related to climate-induced changes and the need for community resilience’. In order to address this commitment, the SAP recognises then need for stronger data on productivity and tuna forage. More comprehensive and broader input of data to support the prediction and assessment of the potential effects of climate change on stock distribution, and the use of such information within a proactive adaptive management process. The Law governing the PNMS has made provision for PICRC (the lead agency for science and monitoring of the marine environment around Palau) to develop a Science and Monitoring Plan for the PNMS along with a number of its existing partners (e.g. Duke University as well as the Center for Ocean Solutions at Stanford University). One major contributor to the project through co-financing and activities are Global Oceans who are partnering with PICRC in order to increase knowledge of the deeper offshore ecosystems that exist within the Palau National Marine Sanctuary. Global Oceans is providing a fully-equipped scientific research vessel that will, among other research priorities, establish a series of oceanographic transits as repeatable monitoring stations in selected areas of the EEZ that will form the basis of a long-term monitoring programme with a high priority on monitoring and identifying climate change parameters such as SST, salinity, and acidification. Global Oceans has also agreed to work closely with the PNMS in order to build capacity and train local scientists in relevant scientific monitoring and analysis methodologies PICRC will therefore, with its partners, develop standard physical and chemical oceanographic data capture and analysis with a strong emphasis on climate change impacts such as sea surface temperature, salinity, acidification within the PNMS. The project further aims to identify an Adaptive Management structure and strategy that can feed scientific data and other important knowledge into a management system which reviews it for its trends, changes and importance and recommends management actions that should be taken.

Institutional and Capacity Requirements

As noted above, PICRC will act as the institutional base for climate change related research and monitoring and will provide direct advice and guidance to the government through an ‘adaptive management’ approach as highlighted in Component 1 as part of the 5-year Strategic Plan and Road-Map. PICRC will be supported by a variety of scientific and research partners in this process and will work closely with the various Ministries in the realization of this adaptive management approach. As noted under Component 1, a Capacity Building and Training Programme will be identified and implemented with RF Indicators and Targets providing clear direction and objectives. Specifically, Output 1.2.1 addresses this need through the Implementation and Delivery of a Capacity Building and Training Programme. It is also notable that Palau, through its role in the wider regional project “Mainstreaming climate change and ecosystem-based approaches into the sustainable management of the highly migratory fish stocks of the West and Central Pacific Ocean” will receive support through that project’s Stakeholder/Partnership Programme which aims to deliver support at the technical and business level to the SIDS and provide adequate information to support adaptive management decisions related to changes in the ecosystem, especially in relation to climate change.

Conclusions and Recommendations Arising from Climate Risk Screening

Undoubtedly, climate change impacts represent a real risk to Palau as they do to SIDS all over the world and specifically in the South Pacific region. However, the risk to the project itself is considered to be minimal as the effective management of this PNMS would, in fact, provide resilience against climate change for the tuna fishery throughout this region. There is a risk that migratory routes for tuna species and other top predators in the region could alter which as a ‘worst-case’ scenario may mean that the Sanctuary itself could be protecting fewer of those commercial species, but according to current scientific thinking, this would not necessarily alter spawning habits and the Sanctuary would still then provide an important stop-over on the migratory route.. For now, more science and studies are necessary throughout the region as a whole and through the existing and expanding modelling process in order to have greater certainty of what to expect in the coming decades. The Domestic Fishing Zone, when properly established and functional through the support of this project, will help

to reduce pressure on the inshore and reef fishery which will themselves be subject to climate change impacts. Consequently, climate change as a recognised threat and impact in the region, is an integral concern of the project and. indeed, its effect and impacts should be significantly mitigated by the project. The risks to the Project from climate change (as a factor that might interfere with the Outcomes and Outputs themselves) is therefore considered to be minimal.

Annex 12: Management Effectiveness Tracking Tool

Annex 13: Procurement Plan