



Seychelles' Conservation and Climate
Adaptation Trust (SeyCCAT)

Concept Note



CONCEPT NOTE

Concept Note Title: Ocean's RESOLVE	Recipient Organisation(s): Seychelles Conservation and Climate Adaptation Trust (SeyCCAT)
Convening Agent: Seychelles Conservation and Climate Adaptation Trust (SeyCCAT)	Programme Location Country: Seychelles
Programme Focal Point Contact: Stefan de Greling, SeyCCAT Fundraising & Partnerships Manager, +248-2-56-60-11, sdegreling@seyccat.org	Preparatory Grant Cost (USD)¹: USD 90,342 Proposed Start Date²: March, 2022 Proposed End Date: December, 2022
Description: The purpose of the SeyCCAT-led 'Ocean's RESOLVE' Programme is to generate sufficient critical mass in establishing a dynamic and sustainable blue economy around coral reef ecosystem protection and regeneration, as well as that of related ecosystems (seagrass, mangroves), so as to open up a diversified range of impact investment opportunities for capital seeking promising opportunities.	
Signature of Convening Agent: Print: Organisation <u>SEYCCAT</u> Name <u>F. Jombert</u> Title <u>Chairman Seyccat Board</u> Signature _____ Date <u>19/04/22</u>	

¹ As per GFCR Executive Board decision, disbursements will be determined based on fiduciary assessment, expenditures and GFCR Secretariat's performance review.

² Programme start date will be triggered by the initial fund transfer of the GFCR Trustee



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Signature of GFCR Executive Board UN Partner:

Print:

Organisation: UNDP

Name: Andrew Hudson

Title: Head, Water & Ocean Governance Programme

Signature _____

DocuSigned by:

Andrew Hudson

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Date 03-May-2022

Budget by UNDG Budget Categories

Total Budget Breakdown	Total
1. Staff and other personnel	\$1,275
2. Supplies, Commodities, Materials	\$1,090
3. Equipment, Vehicles, and Furniture (including Depreciation)	\$0
4. Contractual services	\$69,732
5. Travel	\$8,965
6. Transfers and Grants to Counterparts	\$2,220
7. General Operating and other Direct Costs	\$1,150
Total Direct Costs	\$84,432
8. Indirect Support Costs (Max. 7%)	\$5,910
TOTAL Budget	\$90,342



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FACT SHEET

Title of the proposed Programme (limit to 30 characters): Ocean's RESOLVE³

Convening Agent: Seychelles Conservation and Climate Adaptation Trust (SeyCCAT)

Date: 7 January 2022

Lead contact person: Stefan de Greling, SeyCCAT Fundraising & Partnerships Manager, +248-2-56-60-11, sdegreling@seyccat.org

Other participating entities/co-implementers and contact persons:

Along with **SeyCCAT**, the Lead Coordinating Partners include:

- The **University of the Seychelles** - Lead Science & Research Coordinator
- **Marine Conservation Society Seychelles (MCSS)** - Lead Conservation Coordinator
- **Seychelles Investment Board (SIB)** - Lead Investment Facilitator

These Lead Coordination Partners will guide the preliminary **Primary Implementation Partners (PIPs)** listed below and outlined in [Section 8](#).

Name of coral reef site or project area: Seychelles (EEZ and Territorial Waters of) –
"Inner islands": Mahé, Praslin, La Digue, Frégate island
"Outer islands": Aldabra archipelago, Amirantes islands (incl. Alphonse group)

Period of implementation (years and months):

Envisioned Proposal Development: 5 months (January – May 2022)

Vision for full programme: 7 years 6 months (July 2022 – December 2029)

Financing Needs:

Preparatory Grant Request: USD 90,342

Early Estimate of Full programme Grant Needs: USD 10 million over 7 years (2023-2029, inclusive)

Anticipated private sector investment leverage ratio: 1 x 5, or \$50 million in sustainable blue impact investments.

³ Resilient and Sustainable Ocean Life Valued for Enterprise (RESOLVE)



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Relevant objective/s from national strategic document/s:

Seychelles National Policy and Strategic Action Plan on Coral Reef Conservation and Management (2021):

- 1) Establish an effective, transparent, and equitable governance structure for coral and coral reef protection, conservation, sustainable use, and adaptive management.
- 2) Minimise local and national anthropogenic stressors on and build resilience of coral reefs.
- 3) Undertake management-oriented monitoring and research of coral reef ecosystems.
- 4) Mainstream coral reef financing, conservation, and sustainable use.
- 5) Build public and stakeholder awareness of, and engagement in activities to address the value, importance, and vulnerability of coral reef ecosystems.

Seychelles National Biodiversity Strategy and Action Plan 2015-2020 (2014):

- 1) Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society.
- 2) Reduce the direct pressures on biodiversity and promote sustainable use.
- 3) Improve the status of biodiversity by safeguarding ecosystems, species, and genetic diversity.
- 4) Enhance the benefits to all from biodiversity and ecosystem services.
- 5) Enhance implementation through participatory planning, knowledge management and capacity building.

Seychelles Updated Nationally Determined Contribution (NDC) to the UNFCCC (2021):

A. With regards to adaptation –

- 1) Seychelles intends for coastal planning and infrastructure to be regulated at the national and local level to prioritize the consideration of “blue” Nature-based Solutions (NbS) for climate resilience.
- 2) Seychelles commits to the implementation of its adopted Marine Spatial Plan and the effective management of the 30% marine protected areas within the Seychelles’ Exclusive Economic Zone.

B. Integration of CC considerations into national plans –

- 1) Prioritizing nature-based solutions to protect coastal ecosystems from climate change impacts such as storm surges, flooding and erosion, using the Coastal Management Plan as a guideline for implementation of nature-based solutions.
- 2) Adopting an integrated Ridge-to-Reef approach to coastal management that brings together the Seychelles Marine Spatial Plan, the Coastal Management Plan, the Blue Economy Roadmap, the National Biodiversity Strategy and Action Plan and other ongoing initiatives to guide development in sectors such as fisheries and aquaculture, tourism, agriculture, waste management, water resources, biodiversity conservation and urban development.



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- 3) Developing and implementing a climate change strategy for the tourism sector, incorporating long-term sustainable planning and management of tourism infrastructure, and coastal management, in partnership with the private sector.
- 4) Developing and implementing effective, sustainable, and license-based fisheries management plans, integrating climate change adaptation, to ensure sustainable use of resources and avoid overexploitation.

Seychelles Marine Spatial Plan (MSP) Policy (2020):

- 1) Marine Protected Areas, Zone 1 and Zone 2, are designated within the timelines specified for both phases of the MSP Initiative (30% of Seychelles' EEZ as MPA goal).
- 2) All Zones are under effective management regimes that support their MSP objectives.
- 3) Governance frameworks are developed to enable effective implementation and management of the MSP.
- 4) Monitoring, data collection and analysis is optimised, and management-oriented research undertaken to support attainment of MSP objectives and its adaptive management.
- 5) Communities and stakeholders are actively engaged in the MSP Initiative.

Seychelles Coastal Management Plan 2019-2024 (2019):

- 1) Reduce the effects of coastal hazards on humans and coastal properties.
- 2) Harness the function of coastal ecosystems, such as beaches and dunes, wetlands, coral reefs, and mangroves, to reduce coastal risks.
- 3) Improve the general understanding of key physical, ecological, economic, and climate change-induced processes that affect coastal risk and resilience in Seychelles.
- 4) Prevent the increase of coastal risk by facilitating coastal development planning and climate change adaptation.
- 5) Strengthen the capacity within the government to effectively develop and implement coastal management policies.
- 6) Promote awareness and understanding of the value of coastal ecosystems for coastal resilience.
- 7) Consolidate available studies, information, and guidance to manage Seychelles coastal zones to achieve these six core objectives.

Seychelles Blue Economy Strategic Policy Framework and Roadmap 2018-2030 (2018):

Principle Two: Healthy Oceans and Sustainable Use –

A vibrant blue economy depends on healthy oceans. This encompasses protection and enhancement of critical biodiversity habitats, ecosystem processes and services, and sustainable management of ocean and coastal resources. It is premised on the basis that protection of essential ecosystem services which underpin human wellbeing (e.g., coastal protection, water filtration, food security, recreation opportunities or carbon sequestration) should be priorities for transitioning to sustainable resource use.

Strategic Priority 1: Creating sustainable wealth



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Strategic Priority 2: Sharing prosperity

Strategic Priority 3: Securing healthy and productive oceans

- 1) Ensuring ecosystem service accounting is built into economic measures such as GDP.
- 2) Protecting marine & coastal assets, e.g. through marine protected areas (MPAs) and addressing ocean risks (e.g. marine pollution, climate and ocean acidification).
- 3) Implementing blue economy/ocean climate resilience through mitigation (i.e. blue carbon, renewable energy) and adaptation strategies consistent with obligations under the United Nations Framework Convention on Climate Change (UNFCCC).

Seychelles National Development Strategy 2019-2023 (2019):

Pillar 6: Environmental Sustainability and Resilience -

Goals:

- 1) Global leader in environmental conservation and climate change resilience and effective implementation of integrated, sustainable development practices
- 2) Reduce vulnerability to natural disasters and climate change by further strengthening land-use planning and sector development
- 3) Strengthening of environmental governance and management systems

Other relevant strategies & action plans:

- Solid Waste Master Plan for the Seychelles (2020-2035)
- Seychelles National Parks Authority (SNPA) Strategic Plan 2017-2021
- Seychelles National Climate Change Policy (2020)
- Seychelles National Aquaculture Policy 2018-2022
- Seychelles National Agricultural Investment Plan 2015-2020
- Seychelles National Plan of Action for the Conservation and Management of Sharks (2016)

SDG targets on which the progress will be accelerated:

Sustainable Development Goal (SDG) 1, "No Poverty": Targets 1.4 and 1.5

SDG 5, "Gender Equality": Target 5.a

SDG 6, "Clean Water and Sanitation": Target 6.3

SDG 7, "Affordable and Clean Energy": Targets 7.a and 7.b

SDG 8, "Decent Work and Economic Growth": Targets 8.3, 8.4, and 8.9

SDG 9, "Industry, Innovation, and Infrastructure": Target 9.a

SDG 11, "Sustainable Cities and Communities": Targets 11.4 and 11.b



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SDG 12, "Responsible Consumption and Production": Targets 12.2, 12.4, 12.5, 12.8, 12.a, and 12.b

SDG 13, "Climate Action": Targets 13.1, 13.3, and 13.b

SDG 14, "Life below water": Targets 14.1, 14.2, 14.4, 14.7, 14.a, 14.b, and 14.c

SDG 15, "Life on Land": Targets 15.5, 15.6, 15.8, 15.a, and 15.c

SDG 16, "Peace, Justice, and Strong Institutions": Target 16.7

SDG 17, "Partnerships for the Goals": Targets 17.16 and 17.17

Relevant GFCR outcomes and outputs: Please refer to the GFCR Theory of Change and Terms of Reference [available here](#)

Outputs in **red** have been identified as gaps in the Seychelles in the various strategies and action plans listed above.

Outcome 1: Protection of priority coral reef sites including climate 'refugia'

- (a) Increase in well managed and enforced MPAs and LMMAs that protect and promote healthy reefs.
- (b) **Entrepreneurial MPAs.**
- (c) Increase in scientific studies on identifying climate refugia.
- (d) **Water quality/land-ocean interface projects roll-out to protect coral reefs.**
- (e) Elimination of destructive fishing practices and harmful gear from protection sites.
- (f) Establishment of 'no-take' zones and nurseries within protected areas.
- (g) **Legal advice on intellectual property, potential uses, and patents related to climate resilient corals located in refugia.**

Outcome 2: Transformation of the livelihoods of coral reef-dependent communities and sectors

- (a) **Community-based projects for sustainable fisheries, seaweed farms, aquaculture, tourism, etc.**
- (b) **Sustainable value chain development (VCD) and educational programmes to build skills for alternative careers and livelihoods.**
- (c) **Women empowered through capacity building and safety nets.**
- (d) **Reef-first businesses.**
- (f) **Economic valuation of coral reefs and ecosystem services.**
- (g) **Communication and educational campaigns to drive and sustain behavioural change.**

Outcome 3: Restoration of coral reefs through new technologies and adaptive approaches

- (a) Restoration technologies developed and piloted.
- (b) **Strategies for high-impact restoration.**



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- (c) Strengthened national policy frameworks based on robust business cases for coral reef restoration and maintenance.
- (d) Restoration guidelines and training on coral reef restoration.
- (e) 'In situ' water restoration projects.
- (f) Identification of priority restoration sites within targeted MPAs.



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SELF-ASSESSMENT

Eligibility criteria	Yes/No
The proposal reflects a holistic approach to mitigating various drivers of coral reef degradation	✓ Yes
The proposal is based on a blended finance approach, with the goal of creating an enabling environment for private sector engagement and/or developing revenue streams to sustainable finance coral reef conservation and reef-first businesses	✓ Yes
The proposed results are aligned with national SDG priorities	✓ Yes
The proposal is based on country consultations, as explained in the Concept note, and efforts have been or will be made to secure Programme government endorsement of the full proposal (the Letter of Endorsement). Please note a letter of endorsement for the proposal from a relevant government entity will be needed prior to submission of the full programme proposal to the GFCR Executive Board and most explicitly state the name of the programme.	✓ Yes
<p>The proposal is based on the standard template for Concept Notes, it is complete, and it includes:</p> <ul style="list-style-type: none"> - Theory of Change demonstrating contribution to GFCR Outcomes - Results-oriented partnerships. Convening Agent demonstrates the vision for diverse partnerships to achieve an integrated ecosystem approach. - Environmental and socio-economic baseline data is available and/or there is a strategy in place to collect this data - Results are measurable and a clear plan exists for monitoring and evaluation - Blended solutions (transactions) and substantive outcome-level results, and - Initial risk assessment and mitigation measures. 	✓ Yes
The proposal is expected to leverage resources for coral reef conservation at scale	✓ Yes



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1. Summary of Programme (400 words max.) (5pts)

The Seychelles is estimated to have approximately 1,690 km² of coral reef ecosystems (about 13.1% of the total coral reef area of the Eastern Africa and the Southwest Indian Ocean) providing protective outer-swell barriers to most – if not all – of its 115 granitic islands across some 1.4 million km² of Indian Ocean Maritime space⁴. Only about 40 km² of these reefs are located around the Inner islands, with the remainder around the outer islands. Occasional rapid-onset climate change related shocks, directly attributable to prolonged ocean warming, have been compounded by a series of gradual, slow-onset degradation processes attributable to human activity: dredging and reclamation, sedimentation, excessive fishing pressure, coral diseases (exacerbated by pollution, inadequate waste management, and poor water quality), plastic pollution, ocean acidification, and invasive alien species.

The purpose of the SeyCCAT-led 'Ocean's RESOLVE' Programme is to generate sufficient critical mass in establishing a dynamic and sustainable blue economy around coral reef ecosystem protection and regeneration, as well as that of related ecosystems (seagrass, mangroves), so as to open up a diversified range of impact investment opportunities for capital seeking promising opportunities.

The programme will focus on the regeneration of coral reef ecosystems across the "Inner islands" of the Seychelles (Mahé, Praslin, La Digue, Frégate island), the protection and valuation of ecosystem services produced by coral reefs (incl. deeper reefs) and the development of new land-ocean interface strategies and scientific studies across both the "Outer islands" of the Seychelles (Aldabra Group, Amirantes Group, Alphonse) and the "Inner islands."

Ocean's RESOLVE will seek to address capacity constraints that have limited the development of private sector investment opportunities in the blue economy associated with coral reefs, and in activities and businesses that have a minimal footprint on coral reef ecosystems.

The Ocean's RESOLVE Programme will drive change through the following ridge-to-reef interventions:
Addressing GFCR Outcome 1 "Protection" challenges

- Ocean's RESOLVE Intervention #7: **Blue-Green Bonds for Conservation.**
- Ocean's RESOLVE Intervention #9: **Optimal Collaborative MPA Management Strategies.**

Addressing GFCR Outcome 2 "Transformation" Challenges

- Ocean's RESOLVE Intervention #1: **Integrated land-use and wastewater management (ILUWM).**
- Ocean's RESOLVE Intervention #8: **Blue Enterprise Fund (BEF) to act as a blue enterprise incubator and accelerator.**
- Ocean's RESOLVE Intervention #3: **Upmarket Eco-Tourism Services and Facilities**⁵.

⁴ Ahamada, S. Bijoux, J. Cauvin, B. Hagan, A. Harris, A. Koonjul, M. Meunier, S. Quod, J. (2008) Chapter 7: Status of the coral reef of the South-West Indian Ocean island states: Comoros, Madagascar, Mauritius, Réunion, Seychelles. In: Wilkinson, C. (2008). Status of coral reefs of the world: 2008. p. 73-79. Global Coral Reef Monitoring Network and Reef and Rainforest Research Centre, Townsville, Australia. 296 p.

⁵ 19% of tourism establishments spend at least SCR150.000 per year on protective measures against ocean flooding. This figure rises to 41% for hotel category licenses



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- Ocean's RESOLVE Intervention #5: **Sustainable Fisheries & Mariculture.**
- Ocean's RESOLVE Intervention #6: **Blue Carbon Credits.**

Addressing GFCR Outcome 3 "Restoration" Challenges

- Ocean's RESOLVE Intervention #2: **Invasive Alien Species Control for Near-Shore Ecosystem Restoration**
- Ocean's RESOLVE Intervention #4: **Nature-based Coastal Management Solutions** (e.g., restoration of protective ecosystems, such as the "Blue Barrier" concept)⁶.

Designed to complement and reinforce links with the Government of the Seychelles (GOS) coastal management and ecosystem-based adaptation (EbA) programmes currently financed by the Global Environment Fund (GEF) and the Adaptation Fund (AF), the SeyCCAT GFCR Ocean's RESOLVE Programme will foster more **public-private partnership (PPP)** momentum in coral positive blue economy activities that demonstrate the potential for cross-sector success. SeyCCAT and partners are consulting, planning, and developing a comprehensive joint programme for GFCR that should last 7 years and leverage a 1:5 ratio in additional private sector investments. With this Concept Note, SeyCCAT and partners are respectfully requesting approval to proceed to full proposal development stage from the GFCR Board, as well as preliminary funding amounting to 100,000 US Dollars (\$) to finance the comprehensive programme development process that will take place in the Seychelles from January to May 2022 involving a broad cross-section of partners and stakeholders.

SeyCCAT is ideally placed to be the Convening Agent for a GFCR programme in the Seychelles. SeyCCAT is not only a conservation trust fund (CTF) that is administering a pioneering \$20 million US Dollar debt-for-nature swap for the Seychelles, but has a unique ability to bridge the macro-micro gap through its Blue Grants Fund (BGF) that supports dozens of local environmental initiatives, including coral reef restoration. Because of the BGF, SeyCCAT knows all the actors and local organizations involved in marine conservation in the Seychelles, and SeyCCAT has built privileged relationships with these local civil society organisations (CSO) and knows how to mobilize them around a common cause. SeyCCAT also participated in the issuance of one of the first Blue Bonds in the region, a mechanism still operational today. SeyCCAT has also established an endowment fund to secure financial stability in the next few years, while it ambitions becoming the go-to financial institution in the Seychelles for blue economy, ocean conservation, and climate adaptation initiatives. SeyCCAT has strong links with the Government of the Seychelles (GOS), is involved in most ocean conservation initiatives, and has strong collaborative relationships with some of the leading ocean philanthropies: The Pew Trust, Blue Nature Alliance, The Nature Conservancy, Oceans5, Waitt Foundation, and Save Our Seas Foundation; although not a philanthropy, UNDP/GEF is also part of SeyCCAT's close support group. SeyCCAT is now exploring new funding models of the Seychelles Marine Spatial Planning (MSP) initiative, including MPA support.

(from *Survey to Seychelles Accommodation Sector Perceptions on Coastal Risks, World Bank, 2021*).

⁶ Close linkages with eco-tourism intervention mentioned above, with the potential to protect the beach, protect land infrastructure, and save costs from erosion and coastal flooding to coastal businesses.



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2. Climate resilience of coral reefs and biodiversity value of reefs in the proposed project area(s) (300 words max.) (5pts)

The health of Seychelles coral reefs can be broadly characterized into two different categories – the “Inner Islands,” where most of the country’s human population resides and most economic activity occurs and whose coral reefs have suffered the greatest disturbance and degradation over time; and the “Outer Islands,” with lower levels of human activity, and whose coral reefs are relatively healthy and maintain productive ecosystem services. SeyCCAT thus proposes a twin approach which focuses on:

(a) innovative **restoration** of coral reef sites in the Inner Islands (Mahé, Praslin, La Digue, and Frégate), building on foundational achievements of previous coral restoration efforts detailed below, in conjunction with the **transformation** of livelihoods for coral reef-dependent communities to reduce the ecological footprint of their activities (Outcomes 2 and 3); and

(b) addressing **protection** challenges (Outcome 1) relating to healthier and more resilient coral populations in the Outer Islands – the Aldabra and Amirantes islands (incl. the Alphonse group) – some of which are identified as coral ‘climate refugia’ and could serve as seed for restoration of inner island reefs and elsewhere in the region.

Since the restoration sites will be in or close to protected areas, Oceans RESOLVE will build on and expand existing partnerships between UNDP and the tourism sector within the GOS/UNDP/GEF “Seychelles – Protected Areas Finance Project” and will be able to build on shared lessons learned and activities related to financially sustainable interventions.

This project will also work closely with the GOS/AF “Ecosystem Based Adaptation to Climate Change” project and build on experience gained in the reef restoration activity involving a soft-engineering approach at North East Point, Mahe.

GFCR will continue to create synergy with SNPA through the UNEP-EU “Building capacity for coastal ecosystem-based adaptation in SIDS” project. The efforts in the coral farming at Curieuse Island Marine Park at Praslin will be continued and thus strengthening the climate change resilience and adaptive capacity of Seychelles.

The Marine Spatial Planning (MSP) Initiative, supported by SeyCCAT, is an integrated, multi-sector approach to address climate change adaptation, marine protection and support the Blue Economy and other national strategies. It will demarcate areas designated for fishing, tourism and recreation, biodiversity conservation and cultural heritage, and a range of industries, taking into account the need for MPAs. The project will also work closely with the GOS/GEF The Nature Conservancy and MSP initiative, regarding the selection of the sites for nurseries and transplantation.

Oceans RESOLVE will benefit from the network established by the COI / EU regional project “The coastal, marine and island specific biodiversity management in East African and Indian Ocean states.”, and thus provide a regional framework and long-term monitoring of the restored reef.



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Oceans RESOLVE will also benefit from the existing partnership between Nature Seychelles and USAID for 2016-2019, to operate the new Centre for Ocean Restoration Awareness and Learning (CORAL) on Praslin Island. CORAL will serve as a national and regional centre of excellence for coral reef conservation and restoration.

Based on preliminary consultations with Ocean's RESOLVE partners and key MPA management stakeholders, such as the Seychelles National Parks Authority (SNPA), in the Inner Islands the Ocean's RESOLVE Programme will layer, sequence, and integrate interventions in, around, and in relation to, the following specific MPAs:

#	<u>Tentative Target Sites</u>	<u>Location</u>	<u>Ocean's RESOLVE Interventions</u> (Ref. Section 1)	<u>GFCR Outcomes</u>	<u>Partner(s)</u>	<u>Justification</u>
1	Baie Ternay	Mahé	<ul style="list-style-type: none"> Int. #1: ILUWM Int. #3: Eco-tourism Int. #7: Blue Bonds Int. #9: MPA Mgt 	1, 2, 3	<p><i>Technical:</i> SNPA, GVI, Others TBC</p> <p><i>Financial:</i> Gov't budget (through SNPA), Third party philanthropy through GVI.</p>	<ul style="list-style-type: none"> ✓ Coral reef recovering from earlier bleaching incidents ✓ Indirect anthropogenic stressors (land origin) ✓ Significant flagship protected area.
2	St. Anne MPA	Mahé	<ul style="list-style-type: none"> Int. #1: ILUWM Int. #3: Eco-tourism Int. #7: Blue Bonds Int. #9: MPA Mgt 	1, 2, 3	<p><i>Technical:</i> SNPA, MCSS, Others TBC</p> <p><i>Financial:</i> Gov't budget (through SNPA), Third party philanthropy through ICS, MCSS, and Moyenne Foundation.</p>	<ul style="list-style-type: none"> ✓ Coral reef recovering from earlier bleaching incidents ✓ Numerous anthropogenic stressors ✓ Relatively easy access
3	Curieuse MPA	Praslin	<ul style="list-style-type: none"> Int. #4: NbS Int. #7: Blue Bonds 	1, 2, 3	<p><i>Technical:</i> SNPA, GVI, TRASS</p>	<ul style="list-style-type: none"> ✓ Significant coral reef habitat



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			<ul style="list-style-type: none"> • Int. #9: MPA Mgt 		<p><i>Financial:</i> Gov't budget (through SNPA), Third party philanthropy through GVI and TRASS, GEF and Adaptation Fund projects.</p>	<ul style="list-style-type: none"> ✓ Active local conservation partner ✓ Numerous anthropogenic stressors.
4	Frégate Island	Frégate	<ul style="list-style-type: none"> • Int. #2: Alien species control • Int. #3: Eco-tourism • Int. #4: NbS 	2, 3	<p><i>Technical:</i> Private operators</p> <p><i>Financial:</i> Blancpain Ocean Commitment through private owner Oetker Hotel Management Company GmbH.</p>	<ul style="list-style-type: none"> ✓ Coral reef refugia recovering from past bleaching events and anthropogenic pressures. ✓ Privately managed target area: potential for PPP model ✓ Potential to attract blue impact investments.
5	D'Arros to Poivre Atoll MPA	Amirantes	<ul style="list-style-type: none"> • Int. #2: Alien species control • Int. #7: Blue Bonds • Int. #9: MPA Mgt 	1, 3	<p><i>Technical:</i> ICS, Nekton</p> <p><i>Financial:</i> Gov't budget (through Islands Development Company - IDC), Third party philanthropy through ICS, Nekton, Living Oceans Foundation, and Save</p>	<ul style="list-style-type: none"> ✓ Major coral reef ecosystems (refugia) ✓ Limited anthropogenic pressures ✓ Potential for coral farming and translocation. ✓ Strong and active local conservation actors.



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					Our Seas Foundation.	
6	Alphonse and St. François Group	Alphonse	<ul style="list-style-type: none"> • Int. #2: Alien species control • Int. #7: Blue Bonds • Int. #9: MPA Mgt 	1, 3	<p><i>Technical:</i> ICS, Nekton</p> <p><i>Financial:</i> Gov't budget (IDC), Third party philanthropy through ICS, Nekton, Living Oceans Foundation, and SOS Foundation.</p>	<ul style="list-style-type: none"> ✓ Major coral reef ecosystems (refugia) ✓ Limited anthropogenic pressures ✓ Potential for coral farming and translocation. ✓ Strong and active local conservation actors.
7	Aldabra Group Marine National Park	Aldabra	<ul style="list-style-type: none"> • Int. #2: Alien species control • Int. #7: Blue Bonds • Int. #9: MPA Mgt 	1, 3	<p><i>Technical:</i> SNPA, SIF, Nekton</p> <p><i>Financial:</i> Gov't budget (IDC), Third party philanthropy through SIF and Nekton.</p>	<ul style="list-style-type: none"> ✓ Major coral reef ecosystems (refugia) ✓ Limited anthropogenic pressures ✓ Potential for coral farming and translocation. ✓ Strong and active local conservation actors.

Location of anticipated intervention sites

The tentative anticipated target sites for project implementation are shown by a red star [★] on the maps. In the Inner Islands, it is not yet decided whether the project should prioritise Cousin Island Nature Reserve or the privately-owned and managed Fregate Island, which is why we have placed a star in both locations, knowing that one of the sites will likely be deselected.



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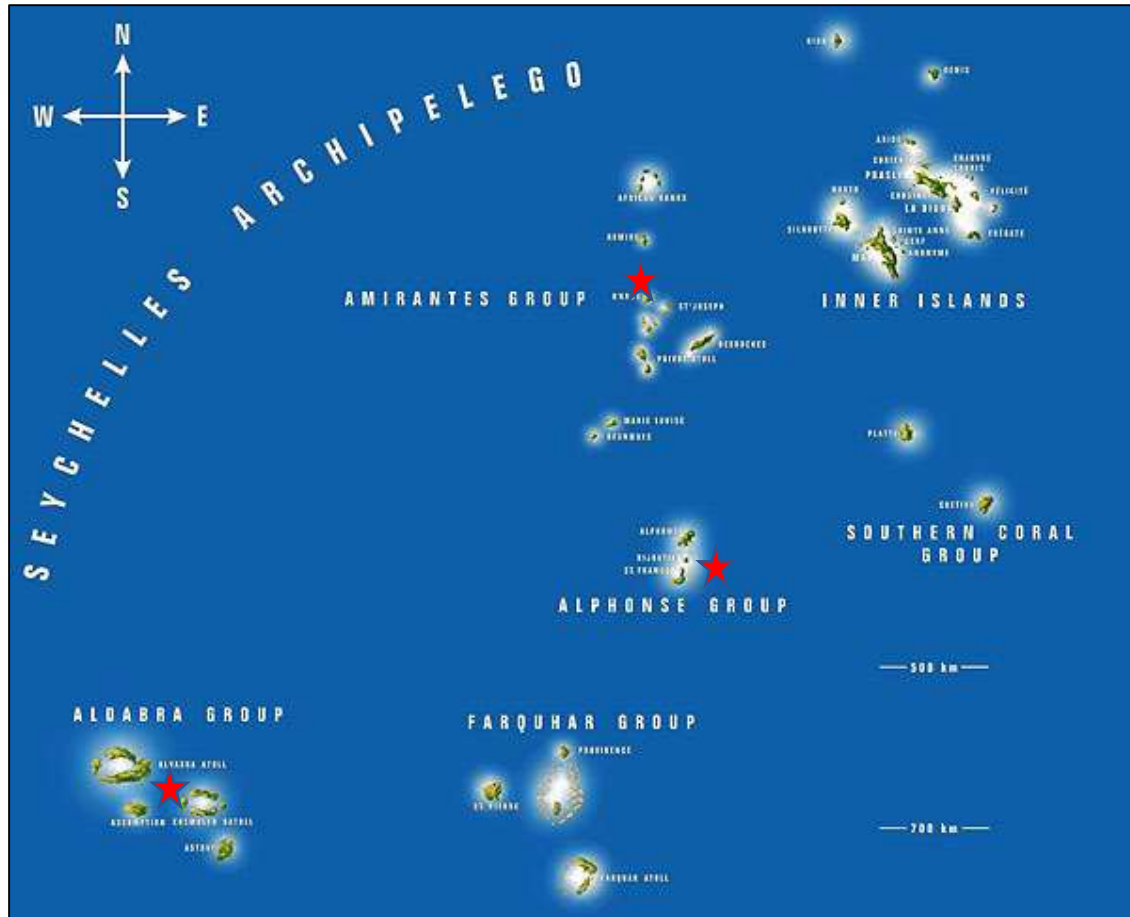
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Figure 1: Inner Islands



Figure 2: Outer Islands



Deep Ocean Interventions

While the above preliminary and tentative shortlist of potential target sites is illustrative of how they anchor the Ocean's RESOLVE Programme interventions, it is highly probable that a range of interventions will also occur in deeper demersal ocean spaces. Some of the coral reef ecosystems not covered by the legacy network of Seychelles MPAs now find themselves within newly designated MPA coverage, and effective and sustainable management strategies will have to be developed.



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3. Local drivers of coral reef degradation and solutions in the proposed project area(s) (300 words max.) (5pts)

The following local drivers of coral reef degradation, and sometimes destruction, have been identified through national strategy consultation processes as particularly pernicious, and can all be linked in one way or another to unsustainable human socio-economic practices⁷:

- **Overfishing and destructive fishing:** Recent analysis of long-term catch data from the whaler and schooner hand line fishery have shown important signs of decreasing catch per unit effort for most of the fish groups that are monitored (Robinson et al., 2020).
- **Physical alterations and destruction:** Local destruction of coral reefs has occurred through dredging and land reclamation for development. Opening and maintenance of reef channels for navigation, vessels grounding, and anchor damage also continue to damage coral reefs.
- **Pollution:** Sedimentation from poor land management practices, eutrophication due to the excessive discharge of nutrients into coastal waters, oil and chemical discharge from landfills, workshops, and factories, and marine debris. Pollution changes the chemical balance in coastal waters and affects the development of corals and other reef associated fauna.
- **Plague species:** The most noticeable plague species with repercussions for coral reefs in the Seychelles to date are the crown of thorns (COTS) starfish (*A. planci*) (Engelhardt, 2000) and black-spine sea urchins (Thérésine et al., 2017), with the latter linked to suppression of reef recovery through excessive grazing on coral recruits, mostly in waters surrounding the Inner islands.
- **Coral diseases:** Coral diseases have also been linked with sewage, tourism activities and water temperature anomalies (Harvell et al 2007; Lamb et al 2014; Ruiz-Moreno et al 2012) and are responsible for the gradual decay of coral colonies.
- **Harmful algal blooms:** The last major event in 2015 was extensive and could be observed several tens of kilometres away from the main islands. Algal blooms often result in the death of large numbers of reef-associated fish species and has contributed to localised coral bleaching events, as well as increased coral mortality rates⁸.

Generally, coral reef degradation (combined with other CC impacts and coastal development) leads to reduced coastal resilience and sand generation capacity, which results in increased beach erosion and coastal flooding risks, which in turn impacts negatively on essential economic activities (higher recovery costs, beach maintenance costs, etc.).

4. Barriers hindering progress towards sustainable practices, development of financial instruments and barriers to private sector engagement related to coral reef ecosystem health. (300 words max.) (5pts)

1. *Inadequate cross-sector alignment between policy, conservation, and business.*

⁷ GoS (2021). Seychelles National Policy and Strategic Action Plan on Coral Reef Conservation and Management. MACCE, Victoria, Seychelles.

⁸ Bauman et al., "Tropical harmful algal blooms: An emerging threat to coral reef communities?" *Marine Pollution Bulletin*, Volume 60, Issue 11, 2010, pp.2117-2122.



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It has become cliché to point out what is “lost in translation” between those operating in the public interest, such as government and conservationists, and those who have to generate revenue and profit as viable economic operators: while the former can focus on what needs to be done to achieve desired conservation outcomes, the latter have to figure out how to bring value to the market in a way that either meets a need or generates demand.

2. Conservation projects not designed to include economic, business, and investment sustainability.

Translating the value of species and ecosystem services into tangible, tradable goods and services without the perspective of the business and investment community has been challenging. This GFCR programme is a good opportunity to foster cross-sector collaboration with a positive impact on conservation metrics.

3. Insufficient volume of “bankable projects” to achieve scale.

The threshold to becoming “investor ready” – i.e., fulfilling the minimal conditions to qualify as an investment opportunity – is usually a distant prospect for most conservation or integrated conservation and development initiatives, resulting in a very low volume of “bankable projects” for private sector impact investors.

4. Insufficient buy-in, involvement, and endorsement of local communities in program

While an increasing number of conservation initiatives do now seek to incorporate and build on the aspirations of local communities, the business and investment identification process is seldom sufficiently consultative as to require the prior informed consent of local communities.

5. Technological barriers of entry

The technological systems and processes needed to translate potential value into tradable goods and services are so sophisticated and expensive as to often constitute an insurmountable barrier for local capacities and knowledge base. This combination of expensive sophistication necessary to generate tradable value from remote oceanic spaces is also usually an upfront challenge that only well-resourced cross-sector partnerships can overcome.

6. The Triple Inhibitors to Blue Economy Momentum

The Seychelles aspires to a real and demonstrable transition to a thriving blue economy, but is inhibited in progressing down that pathways by a set of three interlinked and mutually reinforcing “inhibitors” which together form a real barrier to achieving a complete conversion to a real blue economy: (i) Too few and unclear opportunities to generate lasting value and growth; (ii) high transaction costs in accessing support and investments; and (iii) insufficient dynamic blue market interaction generating market diversification options. This has resulted in low numbers of environmental entrepreneurs, little entrepreneurial know-how, and somewhat dampened expectations of blue economy options.

5. Thesis and theory of change of the Programme (400 words max.) (10pts)

Problem statement



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The current socio-economic model of the Seychelles is exerting unsustainable pressures on fragile coral reef ecosystems and is one of the structural drivers of coral reef degradation and destruction across this small island / large ocean nation.

Desired change / Overall goal

Essential ecosystem services provided by coral reefs⁹ are restored through reef-positive conservation initiatives and sustainable blue economy focused activities driven by a broad and representative cross-section of Seychelles partners, stakeholders, and beneficiary communities.

Programme outcomes & outputs

GFCR Outcomes:	1) Protection: Coral reef ecosystems benefit from optimal conditions to thrive.	2) Transformation: Livelihoods of coral reef-dependent communities are sustainable and resilient.	3) Restoration: Degraded or damaged coral reef ecosystems are restored.
Outputs:	<p><u>Enabling Activities:</u></p> <p>A. Scientific Research:</p> <ul style="list-style-type: none"> i. Carbon sequestering baselines (mangroves, seagrass) ii. Ecosystem dynamics iii. Deep reefs and their potential as refugia. iv. Biodiversity v. Drivers & change <p>B. Management:</p> <ul style="list-style-type: none"> i. of Protected Areas ii. Surveillance & Monitoring iii. Assessments, evaluations, and learning iv. Law Enforcement 	<p><u>Enabling Activities:</u></p> <p>A. Market Analysis:</p> <ul style="list-style-type: none"> i. Identification of promising local enterprises ii. Market viability analysis iii. Business Plans iv. Regulatory adaptations <p>B. Incubation:</p> <ul style="list-style-type: none"> i. Identification of local entrepreneurs and business champions ii. Business start-up advisory <p>C. Acceleration:</p> <ul style="list-style-type: none"> i. Business management training ii. Access to finance iii. External resource & support brokerage iv. Accompaniment & monitoring <p>D. Public-Private Partnerships (PPP):</p> <ul style="list-style-type: none"> i. Scientific, technological, and investment clearing house for coral- 	<p><u>Enabling Activities:</u></p> <p>A. Scientific Research:</p> <ul style="list-style-type: none"> i. Carbon sequestering baselines (mangroves, seagrass) ii. Ecosystem dynamics iii. Biodiversity iv. Drivers & change <p>B. Coral farming and seed transplantation.</p> <p>C. Establishment of blue barriers / artificial reefs where coral reefs are under pressure.</p> <p>D. Eradication/control of invasive alien species</p> <p>E. Coordination of coral reef restoration efforts across the Seychelles (incl. comparative methodological mapping and assessment)</p>

⁹ Biodiversity, coastal protection, fish stocks, sand generation, tourism, and recreation, etc.



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	<p>positive international collaboration.</p> <p>ii. Blue impact investment advisory and accompaniment.</p>		
	<p><u>Blue Economy Transition:</u></p> <p>A. Eco-tourism:</p> <ul style="list-style-type: none"> i. Scuba diving ii. Resorts/Lodges iii. Whale spotting iv. Birding v. Participative research & management support vi. Overflight / aerial sightseeing (aircraft, ballooning, helicopter, etc.) vii. Submarine sightseeing and exploration <p>B. Angling / Sports / Recreational fishing</p> <p>C. Coastal infrastructure</p> <p>D. Mooring buoys</p>	<p><u>Blue Economy Transition:</u></p> <p>A. Aquaculture, mariculture, and sylvo-aquaculture SME opportunities.</p> <p>B. Sustainable fisheries (i.e., “sustainable industrial fishing”)</p> <p>C. Carbon credits (Trade in) based on GHG sequestration potential of:</p> <ul style="list-style-type: none"> i. Seagrass ii. Mangroves iii. Whales iv. Other benthic carbon sinks <p>D. Biodiversity credits (Trade in, Payment for ecosystem services (PES))</p> <p>E. Sustainable coastal agriculture</p> <p>F. Green shipping and cruise ships</p> <p>G. Clean Energy</p> <p>H. Bio-sampling and sustainable offtake for pharmaceutical and cosmetic research.</p>	<p><u>Blue Economy Transition:</u></p> <p>A. Waste management (toxic & plastics)</p> <p>B. Sewage and waste-water treatment</p> <p>C. Artificial reef construction</p> <p>D. Invasive species control</p>
Leverage:	<p><u>Investment Opportunities:</u></p> <ul style="list-style-type: none"> ✓ Blue Bonds ✓ Blue Grants Fund (BGF, SeyCCAT) ✓ Blue Enterprise Fund (BEF) ✓ Debt-for-Nature swap ✓ Blue carbon (integrated mangrove, seagrass, and coral systems) ✓ Joint logistics & transport pool 	<p><u>Investment Opportunities:</u></p> <ul style="list-style-type: none"> ✓ Blue Bonds ✓ Blue Grants Fund (BGF, SeyCCAT) ✓ Blue enterprise incubator & accelerator ✓ Blue Enterprise Fund (BEF) ✓ Blue carbon (integrated mangrove, seagrass, and coral systems) ✓ Parametric reef insurance ✓ Eco-tourism businesses 	<p><u>Investment Opportunities:</u></p> <ul style="list-style-type: none"> ✓ Blue Bonds ✓ Blue Grants Fund (BGF, SeyCCAT) ✓ Blue Enterprise Fund (BEF) ✓ Debt-for-Nature swap ✓ Blue carbon (integrated mangrove, seagrass, and coral systems)



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		<ul style="list-style-type: none"> ✓ Blue economy start-up micro, small, and medium enterprises (MSME) ✓ Mariculture and fisheries 	
Revenue Streams:	<ul style="list-style-type: none"> ✓ MPA visitor's fees ✓ Blue bond income ✓ Eco-resort profits ✓ Special use/access permits ✓ Debt for nature swaps ✓ Biodiversity offsets ✓ Blue carbon credits ✓ Biodiversity credits ✓ Blue impact bonds ✓ marine biodiversity nursery sales ✓ Transport & logistics revenue ✓ Sports fishing / angling from limited offtake zones 	<ul style="list-style-type: none"> ✓ Sustainable fisheries ✓ Sale of mariculture produce ✓ Eco-tourism SMEs ✓ Waste management fees ✓ Bioprospecting ✓ Trade in credits (blue carbon & biodiversity) 	<ul style="list-style-type: none"> ✓ Fees for workshops and training for reef restoration. ✓ Sale of new technologies ✓ Green-grey solutions for coastal and beach protection ✓ Fee for services to apply and provide technology training ✓ Insurance schemes ✓ Reef restoration ecotourism ✓ Biodiversity offsets ✓ Environmental impact bonds ✓ Payments for ecosystem services (PES)



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Cross-cutting dynamics

The Ocean’s RESOLVE Programme will intentionally seek to be holistic, participatory, and inclusive in order to positively impact the lives of marginalized, vulnerable, and underrepresented segments of island society, notably the poor, women, youth, the elderly, and those reliant on small-scale fisheries. Not only will private-sector partners and stakeholders have to abide by **environmental and social safeguards (ESS)**, but the programme will raise awareness during the programme design phase to secure **free, prior informed consent (FPIC)** from local communities and other stakeholders. Thereafter, the programme will seek to obtain the participation of local people in the **monitoring, evaluation, accountability, and learning (MEAL)**, not just to secure their involvement and understanding of the programme, but also as a source of remunerated professional activity. The RESOLVE Programme will also seek to establish a functional **feedback and reporting mechanism (FRM)** allowing local people to report issues or complain, backed-up by a redress mechanism. Finally, the Programme will seek to establish a functional benefit sharing scheme whereby at least 50% of programme investments profits are channelled back to community priorities.

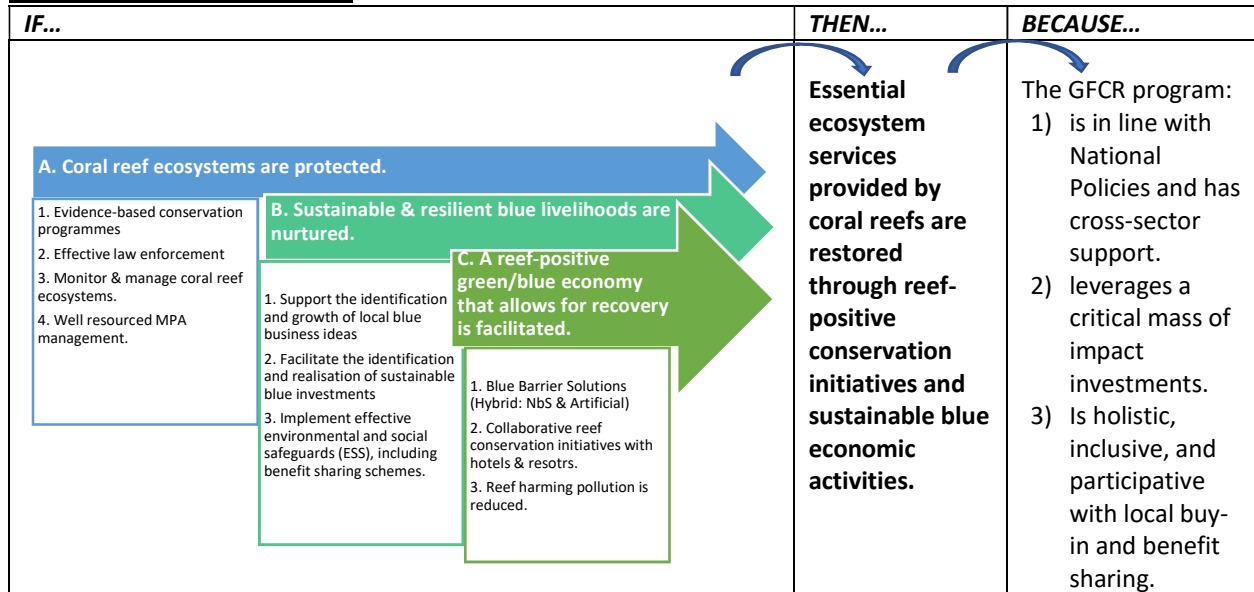
Assumptions

While detailed assumptions will be discussed and examined during the PDP, some high-level assumptions are listed in the Risk Analysis Section below.

Rationale

Given current post-pandemic **“Build Forward Better”** momentum, economic recovery, and improved access to Seychelles this is the right moment to mobilize the many partners and stakeholders that have completed the groundwork leading up to this programme. Now is opportune to launch this programme with a strong cross-section of partners that can bring the necessary critical mass to the programme.

Theory of Change illustration:





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6. What are the specific intervention(s) of the proposed Programme? (500 words max.) (15 pts)

The proposed range of Ocean's RESOLVE interventions seeks to address some of the main drivers of coral reef degradation across the ridge-to-reef spectrum in a comprehensive, coherent and complementary effort to reverse that trend and redirect the Seychelles onto a more sustainable low ecological footprint pathway based on blue economy activities.

The Ocean's RESOLVE interventions span across actions addressing mostly terrestrial dynamics that are having a deleterious effect on sea life, followed by a couple of key actions focused at the land-sea interface or coastal /near shore dynamics, and then some other key interventions addressing surrounding ocean dynamics. This set of ridge-to-reef "archipelago management interventions" are underpinned by a set of "blue economy enabling interventions," including blue bonds to support MPA management, a Blue Enterprise Fund (BEF) acting as an incubator and accelerator of blue economy initiatives, and a subscription-based joint logistics & transport pool to address some of the economies of scale barriers separate actors have in operating across large and remote ocean spaces.

The "archipelago management interventions" include:

On the ridge-side of things...

1. **Integrated land-use, waste & water management** (ILUWM, mostly in the "Inner islands"): The focus will be on reducing pollution, particularly toxic chemicals, untreated sewage, and plastics from inefficient land-based waste management practices that eventually find their way to the sea. **[Outcome 2]** Oceans RESOLVE has identified two economic models likely to generate revenue: (a) Franchising of sewage treatment plants and landfill waste plants to private operators with technological upgrade potential combined with local recycling MSME for plastics, organics, and minerals; and (b) working with hotel and lodge operators to upgrade and improve their waste management systems and processes, with revenue coming from reduced costs and neighborhood services.
2. **Invasive alien species control for near-shore ecosystem restoration** (mostly in the "Outer islands"). Recent scientific research has demonstrated that islands where seabird abundance is reduced by invasive mammals (i.e., rats) have lower coral species diversity and less resilient coral ecosystems. **[Outcome 3]** Alien species control – in some cases eradication – will contribute substantially to surrounding coral reef health, which in turn attracts marine tourism revenue for private operators offering access to these remote ecosystems.

In coastal / near shore areas...

3. **Transition towards more sustainable low-footprint eco-tourism practices.** Most – if not all – Seychelles tourism operators are dependent on the pristine natural beauty of the archipelago and the biodiversity found in the surrounding seas and islands. This intervention will seek to catalyze greater involvement of the Seychelles tourism sector in concerted national conservation efforts. **[Outcome 2]** Working in close collaboration with UNCDF, GFCR Equity Fund (EF), and the Seychelles Investment Board (SIB), Oceans RESOLVE will invest in high-end premium quality eco-



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tourism lodges and/or hotels to design lucrative experiential leisure packages that combine luxury with ecological engagement and positive impact for local community members.

4. **Promoting hybrid nature-based and technological blue barrier solutions to coastal management.** In line with the Seychelles Coastal Management Plan (CMP), the GOS with the technical support of the World Bank and other stakeholders are looking at a range of measures to strengthen the resilience of coral reef barriers through a combination of nature-based and artificial solutions. Ocean's RESOLVE will collaborate closely with WB-supported coral resilience initiatives of the GOS. **[Outcome 3]** This is about coral farming and regeneration combined with artificial reefs to foster submarine biodiversity recovery. The current economic model being discussed is an insurance scheme into which private operators subscribe and the revenue of which will finance coral reef restoration as well as some MPA management functionalities.

In the offshore oceanic realm...

5. **Sustainable fisheries and mariculture.** Ocean's RESOLVE will focus on (a) converting fishing enterprises to sustainable fish offtake practices, (b) supporting the launch (with the incubator and accelerator) of sustainable fisheries businesses, including investments in new low-impact equipment, materiel, and technologies, and (c) promoting the right combination of aquaculture (fish + crab), mariculture (sea urchins, sea cucumbers, seaweed), and sylvo-aquaculture (strengthening and preserving the sea life nursery capacities of mangroves). **[Outcome 2]** Market demand for sustainable fisheries and mariculture products continues to outstrip Seychelles supply capacity, which translates into attractive growth opportunities for the GFCR EF.
6. **Launching a revenue stream from blue carbon credits based on the carbon sink potential of seagrass beds.** With the support of the Pew Trust, a philanthropic organization, SeyCCAT is charting the way to assess the carbon sequestration potential of Seychelles seagrass beds and discussing the optimal way to develop this novel value chain with public and private sector stakeholders and interested parties. **[Outcome 1 + 3]** The investment brokers that have approached SeyCCAT so far represent a portfolio of investors used to 10%-20% profit margins on \$50 million + scale investments once the carbon credits reach the trading floors, with the perception that this is a future growth market, so the revenue potential once the VC is functional is of a scale as to impact GDP figures.

The “**Blue Economy enabling interventions**” include:

7. **Blue-Green Bonds for Coastal Resilience.** SeyCCAT is already involved in a \$15 million Blue Bond scheme with the World Bank, IBRD, the Global Environment Fund (GEF), and the Development Bank of the Seychelles (DBS). Armed with this experience, SeyCCAT would be looking to work with the GOS and partners to launch a new Blue-Green Bond that would further support the management of MPAs, climate adaptation strategies (i.e., coastal hybrid and NbS), and other conservation initiatives, including the re-seeding of degraded coral ecosystems with resilient strands from the MPAs. The flexibility of this mechanism allows the Ocean's RESOLVE programme to also address land-based challenges and drivers. **[Outcome 1]** Bonds are a form of fixed-income



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security that allow governments and businesses to borrow large volumes of capital at preferential rates over the medium to long term. In the case of Oceans RESOLVE, Blue Bonds would be brought to market to finance market efficiency improvements in sustainable tourism, waste management infrastructure, sustainable fisheries and mariculture, renewable energy, and the blue barrier concept. The bonds are premised on sustainable industries with growth and expansion potential, and the periodical interest payments back to investors would be shared with impact repayments into specific Oceans RESOLVE activities.

8. **Blue Enterprise Fund (BEF):** SeyCCAT has already commissioned initial feasibility studies, notably with Conservation Capital, with regards to the possibility of launching a 50 million Euro (€) BEF that would act as incubator, accelerator, and mentor to new and promising blue businesses across the Seychelles, including some biopharma, biocosmetics, and bioengineering pioneers. **[Outcome 2]** Discussions are already underway with SIB and the GFCR EF about operationalizing the BEF in such a way that it becomes fit for purpose as a growth catalyst. The revenue stream here consists equity value growth and interest on loans, and other mezzanine structured finance offers to blue economy ventures.
9. **Optimal Collaborative MPA Management Pilots:** To identify and test the most promising collaborative MPA management methodologies based on the varying set of stakeholders and partners involved, the geographical specificities, and the most sustainable business models, including Blue Finance and Entrepreneurial MPA (EMPA), SeyCCAT, the Seychelles National Parks Authority (SNPA), and other key partners and stakeholders will work with private sector operators and local communities to identify and test the most suitable and adapted collaborative MPA management schemes for different geographical locations. Some MPA management options have been articulated and pre-identified in the *2021 Seychelles National Policy and SAP on Coral Reef Conservation and Management*. **[Outcome 1]**

The different interventions are described in more detail in Annex 1 below, while the interplay between the different interventions is illustrated in Figure 1 below.

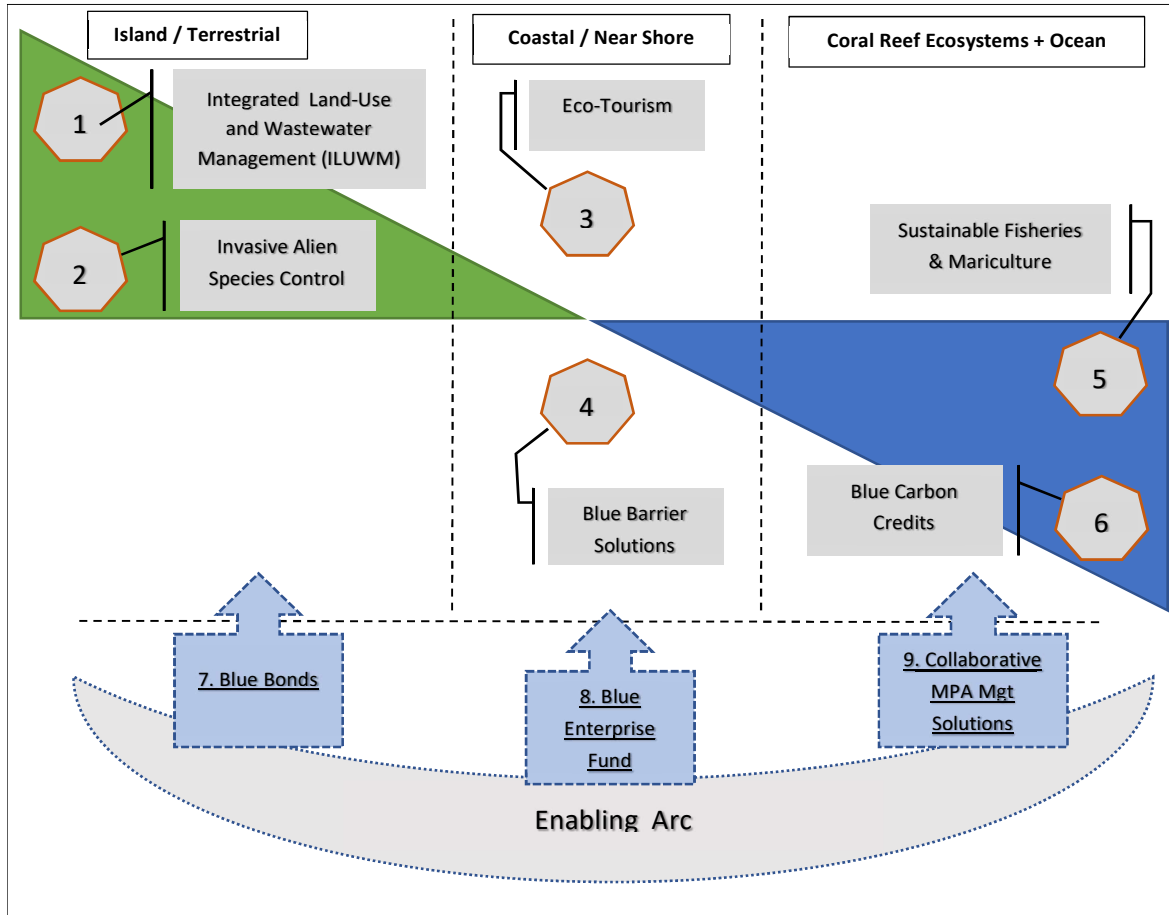


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Figure 3: Ridge-to-reef (R2R) nature-based solutions (Nbs) – The Ocean's RESOLVE intervention model



7. Linkages between interventions and existing initiatives (400 words max.)

Ocean's RESOLVE builds on a decade of collaborative and collective achievements both within SeyCCAT and in the conservation and climate adaptation sector at a national level. As the Seychelles' leading activist conservation trust fund (CTF) focusing on climate adaptation and ocean conservation challenges, SeyCCAT is expert in not only mobilizing local organizations to collective action but also in transacting across different types of blended finance mechanisms. SeyCCAT was originally established as a separate stand-alone financial mechanism to process a pioneering debt-for-nature swap for the Seychelles in 2015 - a role it has accomplished with probity, trust, and competence. The Blue Enterprise Fund (BEF) incubator/accelerator concept proposed in this programme builds on SeyCCAT's experience with the Blue Grants Fund (BGF), a fund dedicated to supporting local conservation initiatives. However, leveraging the learning from the BGF, the BEF, for which a feasibility study was completed by Conservation Capital, goes a step further to build a pipeline of "bankable projects" and "investor ready" blue business start-ups that



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will become the mainstay of the coral-positive blue economy supported by GFCR. In 2018 the GOS and the World Bank launched the world's first sovereign blue bond to finance fisheries' recovery on the Mahé plateau with a GEF concessional loan. SeyCCAT processes a substantial portion of Blue Bond proceeds to repay impact investors, capitalize the BGF, and to finance a Blue Endowment Fund.

Ocean's RESOLVE also builds on several complementary national initiatives. Intervention #4 on Nature-based-Coastal Management Solutions (incl. GOS/World Bank supported "Blue Barriers" initiative) is based on recommendations in the World Bank report "**Strategies for Large Scale Coral Reef Restoration for Coastal Resilience in the Seychelles**" (2021). The general approach and strategy of the Ocean's RESOLVE Programme is based on the UNDP-GOS-GEF "**Ridge-to-Reef (R2R) Integrated Management of Marine, Coastal, and Terrestrial Ecosystems of the Seychelles**" Programme (2019-2025), and several interventions support and strengthen activities in that programme. Ocean's RESOLVE intervention #1 on integrated land-use and wastewater management (ILUWM) is designed to complement the "**Ecosystem-based Adaptation to Climate Change in the Seychelles**" funded by the Adaptation Fund. Interventions #5 and #9 build on the achievements and recommendations of the **Seychelles Marine Spatial Plan (SMSP) Initiative** launched in 2014 and still ongoing with the active participation of SeyCCAT, the **3rd Southwest Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish3)** and other partners and stakeholders.

Key lessons learned from these past and current programs reveal what has worked and what has not, or at least not so well. On the positive roster, the top three lessons are: (1) Effective, well-managed and resourced protection of coral reefs and related ecosystems (seagrass, mangroves, biodiversity) provide optimal conditions to reduce and reverse reef degradation; (2) providing local communities and economic operators with sufficient support to transition to alternative sustainable coral-positive livelihoods is instrumental in spreading awareness of the value of corals; and (3) layered strategies and techniques for coral farming and transplantation at scale have shown that coral restoration approaches at scale can lead to coral ecosystem recovery. On the negative side of the roster, the top three lessons are: (1) Attempting a wide variety of laudable but scattered and uncoordinated coral reef protection and restoration initiatives can be undermined by systemic barriers; (2) the continued main driver of coral reef degradation and destruction is the current economic model of the human societies living in the same locations, and that without a shift to low-impact coral positive way of living, then coral reef restoration efforts will remain precarious; and (3) myriad policies, strategies, and action plans by government and the non-profit public interest actors often fail to have sufficient pull factor to bring along for-profit economic actors, which results in the economics that damage the corals not changing either. The Oceans RESOLVE programme takes into account these macro lessons learned by: (1) adopting an integrated, holistic, multi-pronged "ridge-to-reef" approach that addresses some of the leading drivers of coral reef vulnerability; (2) designing a programme with blue economic sustainability at its core, and not merely as an add-on; and (3) linking up with other parallel flagship coral reef conservation efforts to achieve critical mass.

8. What are the expected results of the proposed Programme? (400 words max.) (5pts)

While the full range of expected results will be mapped and articulated during the programme design phase, below are some illustrative examples of the types of results the Ocean's RESOLVE Programme will



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seek to achieve. Several conservation stakeholders are already establishing baselines, such as the UNDP-GOS-GEF R2R project or initiatives by Oceans5, around the monitoring of water quality around coral reefs, as well as the SWIOFish 3 programme scheduled for 2022/23 in Zone 2, so the Ocean's RESOLVE Results Framework will have to incorporate the work of these other partners. The following illustrative indicators will be further discussed, elaborated, expanded and harmonized with GFCR Fund-level indicators during the programme design phase:

Results	Measurement
Increase in live coral reef cover	% change
Revenues from Biodiversity and/or Carbon credits generated	Yes/No
Revenues from Biodiversity and/or Carbon credits are sustainable (i.e., profitable)	Yes/No
Economies of scale generated	% cost reductions / savings
Area under improved conservation management	% change
Improvement in water quality	TBD
Increase in fish species diversity, numbers, and biomass	% change
Number of blue economy businesses launched and generating revenue	# of / revenue volumes
Jobs created for local communities	# of blue economy jobs created
Revenue from Blue Bonds reinvested	Revenue
Number of new coral reef locations	# of new locations
Depth gradient of coral reef ecosystems	Depth of coral reefs
Revenue from eco-tourism activities	Revenue
Impact of Nature-based Solutions (NbS) on water quality and biodiversity	Multivariate
Expanse of coast and beaches protected by coral restoration projects or hybrid measures	# of KMs

9. Co-implementing partners (300 words max.) (10pts)

At initial conceptualization – this will be re-examined, re-worked, and refined in consultations during the programme design phase in collaboration with PIPs and Key Stakeholders – SeyCCAT and some select partners consulted envisaged a tiered implementation model consisting of four levels: A core consortium led by SeyCCAT, the convening agent, and including three sector lead organizations – a conservation NGO to coordinate the programme's conservation agenda and the work of conservation PIPs; a science & research institution (probably a university or institute) to coordinate the programme's substantial anticipated science & research agenda and the work of science & research focused PIPs (e.g., "evidence-based programming"); and a finance & investment specialist firm or organization to advise the programme on sound impact investment strategies and solutions, broker investment entry points, and coordinate the various blue economy investments likely to slot into the programme over time.

This core consortium will provide technical guidance to a larger group of lead implementers by sector, known as "Primary Implementation Partners" (PIP), whose main task will be to successfully implement



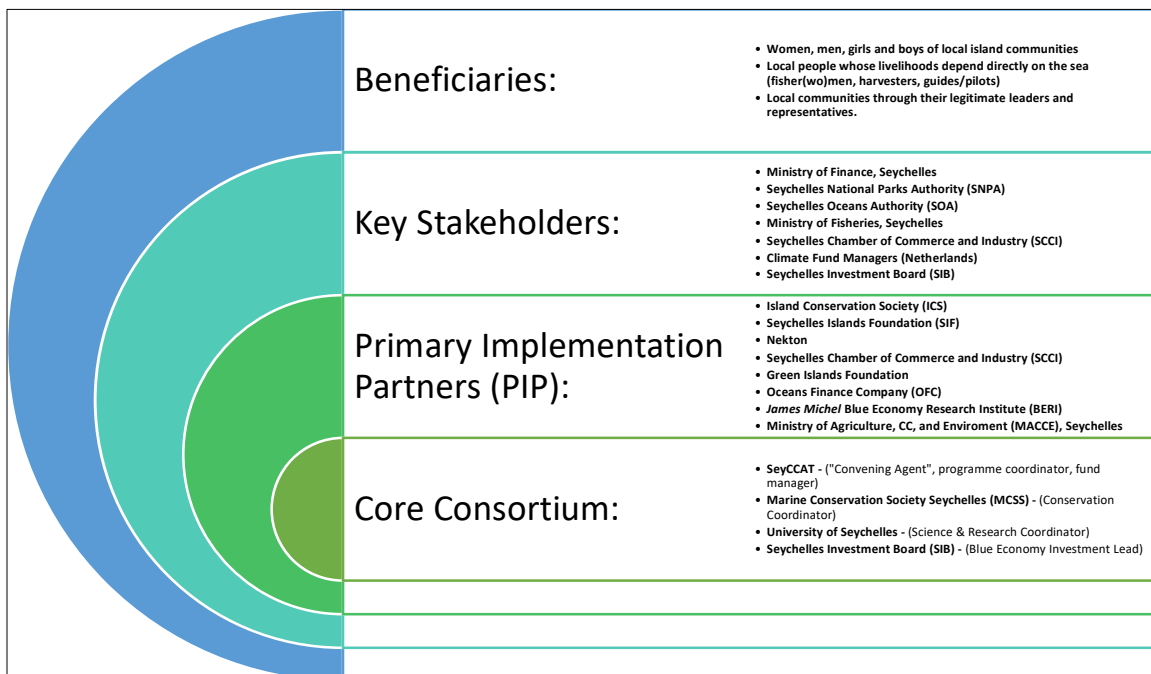
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the various work programmes inherent to the different interventions. Each of the PIPs will fall under one of these sector leads – fund management & programme coordination (SeyCCAT), conservation (organization TBC, but currently SeyCCAT envisages an organization like MCSS), science & research (institution TBC, but at the moment SeyCCAT envisages BERI of the University of Seychelles), and blue finance & investments (institution TBC, but at the moment SeyCCAT envisages the Seychelles Investment Board - SIB). In the next tier are the Key Stakeholders, including the main relevant line Ministries and Agencies of the Government of the Seychelles (GOS), NGOs and CSOs wanting to participate as observers or for advocacy purposes, and some external technical advisors with an interest in the leveraging of their legacy in the Seychelles. Key Stakeholders may be considered for graduation to PIP status if they express interest in an implementation role and have the required know-how, capacities and experience. The final rung, but no less important group, are the beneficiaries, who include different segments of Seychelles society, local communities, with whom the PIPs will actively seek to work in close collaboration, including the implementation of the programme should the local communities so desire.

Figure 4: Envisaged Consortia Members, Technical Support Partners, and Stakeholders



10. Leadership and implementation coordination of the Programme (300 words max.) (5pts)

The Ocean's RESOLVE Programme will be led by a five-person **Executive Team (ET)** consisting of an experienced Programme Director (to be recruited, Integrated Ocean/Island Conservation Chief-of-Party profile), a Deputy Programme Director (TBR, a blue economy development and climate finance profile), a Finance & Administration Manager (TBR, certified accountant profile), a Monitoring, Evaluation,



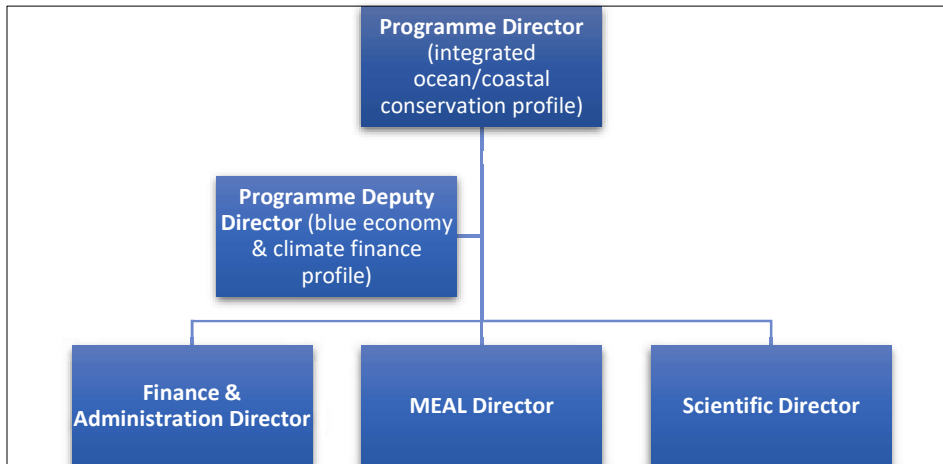
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Accountability, and Learning (MEAL) Director, and a Scientific Director. This ET will be part of a wider **Programme Management Unit (PMU)** with participation of the representatives of the other Core Consortium members, a couple representatives (on a yearly rotational basis) from the group of PIPs, and a couple GOS representatives. SeyCCAT – the Convening Agent – has a secretariat with professional staff, capacity to support, with tried-and-tested existing procedures and processes, as well as backstopping external accounting firm and auditors, to administer this type of programme. The high-level organogram of the ET is as follows:

Figure 5: Ocean's RESOLVE Executive Team



The Deputy Programme Director will oversee, lead, and provide strategic direction to the **conservation** and the **blue investment** “pillars,” which will each have a dedicated Programme Manager (PM). The Conservation PM and the Blue Investment PM will have considerable autonomy and authority to shape the strategic direction of their respective pillars, under the responsibility of the PDD who will be tasked with maintaining the programming and business development coherence and cohesion of the two pillars within the general goal, objectives, and strategy of the programme.

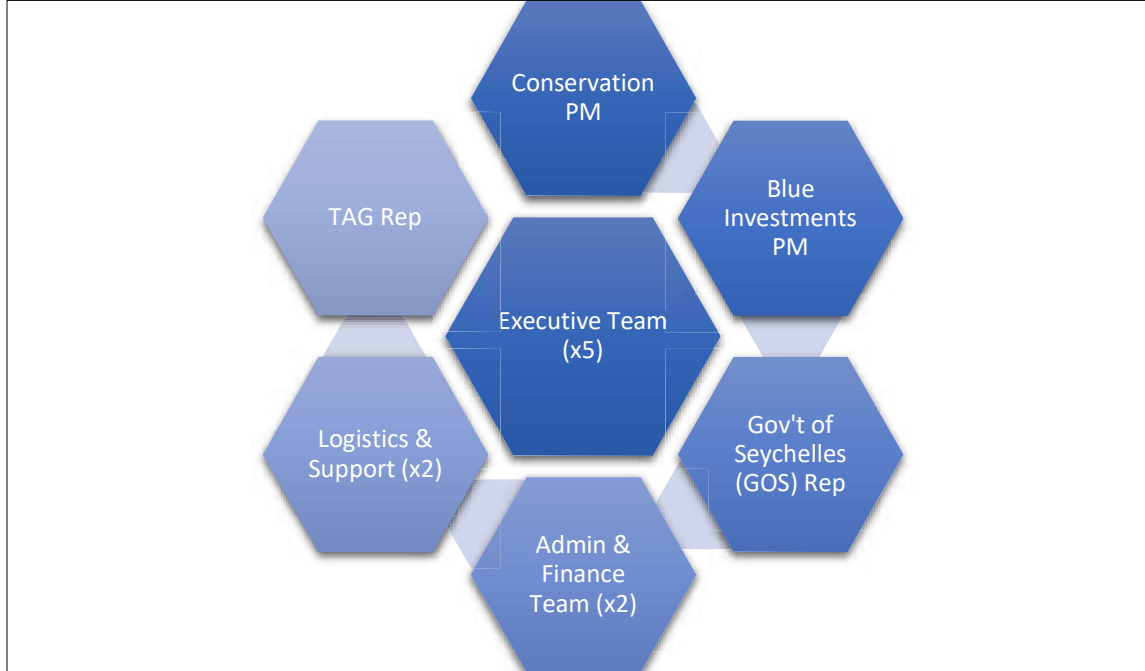


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Figure 6: Programme Management Unit (PMU)



Building on the co-implementation partners detailed in Section 8, an oversight **Steering Committee**, including GFCR, GOS, and SeyCCAT representatives – amongst others, will be created to oversee programme progress. A **Technical Advisory Group (TAG)** may also be created to provide effective adaptive management of the programme year-on-year, including MEAL functions. A **Blue/Green Business & Investments Advisory Group** will also be created to advise the PMU on optimal impact investor-friendly measures and enabling strategies. The ET will be recruited internationally by SeyCCAT, with an option to prefer qualified Seychellois professionals if possible.

11. Expected period of implementation (200 words max.) (5pts)

The SeyCCAT-led consortium, in close collaboration with Primary Implementation Partners (PIP), close coordination with Key Stakeholders, and consultation with beneficiaries, envisages a programme that will go from strength-to-strength over 8 years, gathering pace during an initial start-up phase to reach implementation cruising speed over multiple mutually reinforcing parallel tracks at the start of Phase 2. The roll-out of the Ocean's RESOLVE Programme will be preceded by a 5-month comprehensive, inclusive, and participative Programme development phase forecast for January-May 2022, with the launch of the main programme anticipated for July 2022. As shown in the illustrative timeline below, the Ocean's RESOLVE Programme will proceed through four distinct phases over 7 years:

- **Phase 1: Launch, Start-Up, & Ramping-Up Phase (18 months: 2022-2023)**. Milestone: All the interventions are launched and underway by the end of Phase 1.
- **Phase 2: Creating an enabling environment for blue economy transition (2 years: 2024-2025)**. Milestone: Depending on the interventions, the BEF is investing in "investor ready" coral-positive



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blue enterprises, blue economy enterprises are breaking even and starting to turn a profit, the first signs of coral ecosystem restoration and recovery are observed.

- **Phase 3: Scaling reef-positive sustainable blue economy (2 years: 2026-2027)**. Milestone: By the close of Year 6, the blue economy dynamics spurred by the Ocean's RESOLVE Programme are showing signs of all-round sustainability and maturity.
- **Phase 4: Transitioning to full local ownership (18 months: 2028-2029)**. End game: A new coral, seagrass, and mangrove-positive coastal and ocean economy has spun off in a way as to attract substantially increased investment interest.

Figure 7: Transition to Sustainability Timeline



12. Cost, co-financing and leverage potential of the Programme (300 words max.) (10pts)

The SeyCCAT-led Ocean's RESOLVE Programme will seek to leverage \$10 million in grant funding to attract \$50 million in impact investments. An estimated 50% of the grant will be in the form of non-recoverable grants to cover consortium programme development and launch costs, consortium administrative fees, implementation of some enabling activities (that are unlikely ever to recoup investment), and start-up costs of promising blue enterprises. An estimated 30% will be in concessionary loans, and the remaining 20% in investment guarantees.

SeyCCAT can leverage an annual operating budget of approximately \$1.4 million dedicated to activities and programming that supports the objectives of the GFCR commitment. Part of that funding originates with external supporters such as the Blue Nature Alliance (BNA), Oceans 5, The Pew Trust, and The Nature Conservancy (TNC). During the programme design phase, the consortium will seek to identify additional co-financing for the programme.



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Intervention #6 is the development of a Seagrass Conservation Pool to quantify the carbon sequestration capacity of the Seychelles seagrass ecosystems to value it into verified, certified, and tradable blue carbon credits. Initial baseline assessments are underway, and SeyCCAT is in discussion with some investment brokers about developing the blue carbon credit value chain and benefit sharing scheme, with initial development costs estimated at \$10 - £20 million range, with potential future market valuation ranging up to \$50 million + according to the investment brokers.

The Seychelles Ocean's RESOLVE Programme is designed to optimise revenue generation within a blue economy framework that reduces, or even eliminates, certain key drivers of coral reef degradation. That is why this programme will focus considerable attention, effort and energy into generating a healthy pipeline of "bankable projects" and "investor ready" blue enterprises that will be able to absorb anywhere between \$30 - \$50 million in investments with a full spectrum of ROI scenarios.

13. Country conservation ambition (300 words max.) (5pts)

The Seychelles is profoundly aware of the intrinsic value of their island, coastal, and ocean resources, as well as their dependence on functional ecosystem services for their continued prosperity. The country has a closely monitored fisheries program and a lucrative upmarket eco-tourism industry that together generate most of the country's revenue. The Seychelles is an active member of the Association of Small Island States (AOSIS) in global Climate Change negotiations and is acutely aware of the myriad threats to its ecosystems, biodiversity, and population. The Seychelles pioneered a \$21.6 million debt-for-nature swap in 2015, with SeyCCAT being established to process that transaction.

As detailed in the strategic documents outlined above, the GOS has national strategies and action plans for most – if not all – nature conservation, Climate Change (CC) adaptation and mitigation, and blue economy development domains, and has successfully brokered the support needed to implement them. Some key examples of those national strategies include: the Updated NDC, National Biodiversity Strategy and Action Plan, the Seychelles Coastal Management Plan, and the Blue Economy Roadmap, to mention just a few. In 2020 the GOS committed to setting aside 30% of its exclusive economic zone (EEZ) to marine protected areas (MPA) following an extensive marine spatial planning process (SMSP). SeyCCAT is supporting the GOS in translating that commitment into effective MPA management, as well as taking thought leadership in influencing the scale-up of a sustainable blue economy that not only preserves the country's natural assets but also transforms the country's wealth into a more sustainable pathway.

GOS is also collaborating closely with the World Bank on developing a Blue Barrier hybrid reef and coastal resilience programme that will combine sustainable artificial reef technologies with nature-based solutions to regenerate reef ecosystems. This initiative plays into Ocean's RESOLVE intervention #4, which will deploy a pilot programme to test some of the latest evidence-based reef regeneration recommendations to evaluate impact at varying scales.

14. Risk assessment (300 words max.) (5pts)



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While a full and comprehensive risk matrix will be developed with the participation of Ocean's RESOLVE partners, PIPs, and Key Stakeholders, during the Programme Design Phase (PDP), initial high-level risks could well include the following:



Main Risks	Likelihood	Severity	Mitigation
Political	Low	High	This is an important, priority domain for the GOS, and SeyCCAT and partners maintain good collaborative relationships with the GOS through active engagement of relevant departments, strengthening of partnerships, and interventions should be closely linked to policy targets and facilitate their implementation.
Economic	Average	High	The Covid-19 pandemic exerted severe downward pressure on the Seychelles economy, shrinking GDP by 19%, and the "build back better" recovery pathway may take longer than expected, but encouraging uptick signals are starting to proliferate.
Unfavourable Investment Conditions	Average	High	It is possible that the collective efforts of the programme partners and stakeholders will not suffice to create favourable investment conditions for the programme's sustainability objectives. However, the rigorousness of the GFCR and SeyCCAT co-design process should factor out that risk and bring it down to manageable proportions.
Insufficient pipeline of "bankable projects" or "investor ready" enterprises	Average	Average	This risk has been identified early, and SeyCCAT will recruit a consultant to help the consortium address this hurdle during the design phase of the programme.
Technological challenges	High	Average	Underwater science, research and activity is technologically intensive and does not necessarily follow standard economies of scale, so technological challenges that remain unsolved for some time can lead to cost overruns. The consortium is seeking to mitigate this risk by partnering with experienced and well-resourced technology partners.
Translating natural value into economic value	Average	High	Despite decades of natural resource economics, many ecosystem and species functions are not yet assigned economic value that could be transacted on human society markets. One of the challenges will be to translate intrinsic natural value into tradable economic value (for example, valuation of blue carbon within IPCC and UNFCCC processes). The Ocean's RESOLVE consortium will seek to partner with experienced natural economy operators to help identify valuation opportunities and translate those into revenue streams.



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OVERVIEW OF FUNDING REQUESTED

Indicate the financing needs from the GFCR grant window and the leverage ratio of private sector investment capital. Additionally, please provide a very brief description of the activities in each funding category. The below is for the full programme vision, not the preparatory grant.

Category	Amount (USD)	Description
Baseline studies	\$500,000	While most of the interventions have foundational feasibility and viability studies, as well as initial scientific evidence to articulate confident hypotheses, validation of that evidence will have to be refreshed and tailored to address intervention-specific questions. This means Ocean's RESOLVE will likely need a thorough set of assessments at the start of the programme.
Pipeline projects	\$8,000,000	Because of SeyCCAT's engagement in national blue economy development discussions and planning process, as well as experience through the Blue Grants Fund (BGF) and thinking around the Blue Enterprise Fund (BEF), SeyCCAT is cognizant of the barriers and hurdles to momentum in scaling up reef-positive blue enterprise. SeyCCAT will soon incorporate the services of a consultant who will advise on optimal strategies to expand the pipeline of "bankable projects" – this person will participate in the GFCR PDP as well as develop a pipeline of "investor ready" blue businesses for the GFCR EF. Having already been approached by potential private sector impact investors to discuss participation in different aspects of the programme, SeyCCAT is confident of the level of leverage that will be needed. Three-way discussions between SeyCCAT, the SIB, and the GFCR Equity Fund will likely launch very soon.
Programme development/ Operations	\$ 1,500,000	This includes \$100,000 for programme development (5 months: January – May 2022). The final amount for "operations" will need TBC during the programme design phase.
TOTAL	\$ 10,000,000	Ocean's RESOLVE will seek \$10 million over 8 years to create a favourable enabling environment for blue economy investments, working in close collaboration with the SIB and SCCI.



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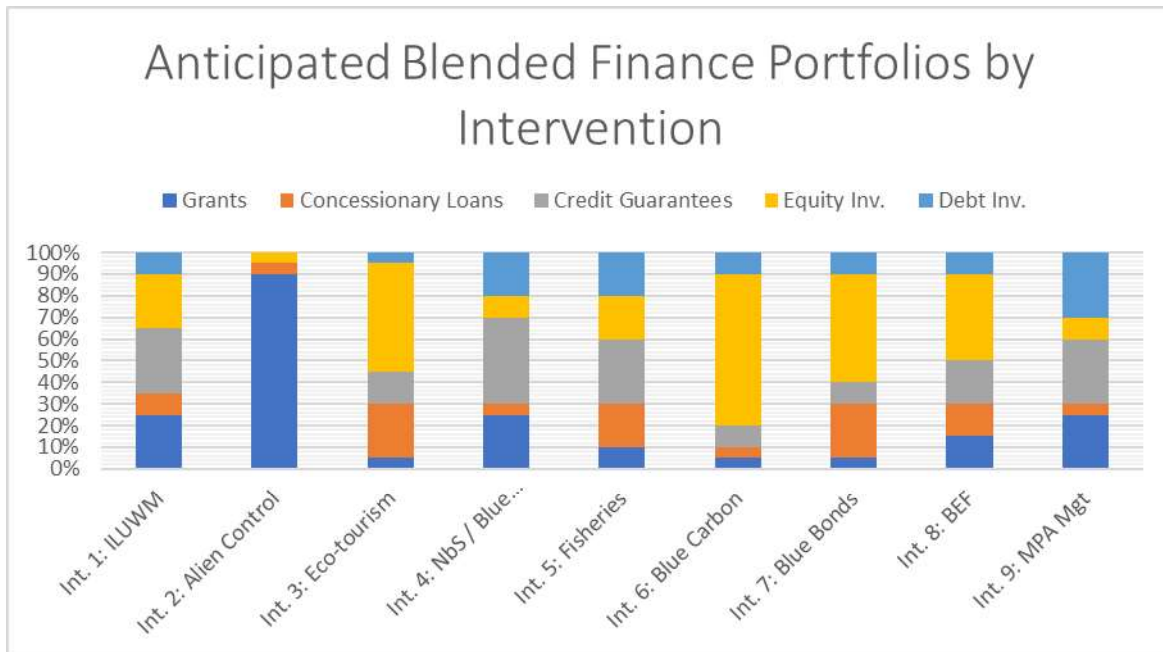
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Expected Programme leverage ratio of grants to investment capital	1:3	While this ratio will be confirmed during Ocean’s RESOLVE PDP in 2022, SeyCCAT and partners are keen to demonstrate the feasibility of generating this level of investor interest, riding on the back of post-pandemic “build back better” rebound.
Expected Programme leverage ratio of grants to revenue generation	1:5	If for every \$5 invested, those investments generate \$6 in revenues that equates to a very reasonable 20% profit margin, which is a very attractive investment outlook.

While **Annex 3 – Business Models and Financial Instruments** outlines the specificities of each Ocean’s RESOLVE intervention, the Figure N° 6 below provides an illustrative breakdown of the types of financing likely to drive the sustainability of each intervention:

Figure 8: Estimated Finance Mix by Ocean's RESOLVE Intervention





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ANNEX I: TECHNICAL REVIEW CRITERIA FOR CONCEPT NOTES

Category	Criteria	Weight in category	Weight of total
1. Mandatory criteria	1.1 Submission is appropriate, complete and follows guidelines outlined in Concept Note template and the budget and workplan template such as includes inclusion of maps, Theory of Change figure, etc.	Pass/Fail	
	1.2 Concept is aligned with national priorities and is or will be demonstrated by a government letter of support for the programme	Pass/Fail	
	1.3 Vision for programme timeframe is aligned with GFCR expectations (3-10 years)	Pass/Fail	
	1.4 Increasing the resilience of priority coral reef ecosystems and associated communities through the application of blended finance strategy to catalyze sustainable revenue streams for reef-positive interventions is the central objective of the programme	Pass/Fail	
	1.5 Concept Notes demonstrates the ambition to build coalition of diverse partners including local stakeholders with various areas of expertise (i.e., conservation, sustainable development, context of local communities, finance, etc.)	Pass/Fail	
2. Relevance	2.1 Theory of Change and blended finance rationale for the proposal and potential for scaling-up and replication	x/10	60%
	2.2 Conservation and Socio-economic outcomes are project priorities and tied to milestones appropriately timed and measured (clearly stated; % increase in live coral cover, reduction of invasive species, increase in fish density, hectares protected, reduction in pollution, etc.)	x/15	
	2.3 Revenue generating interventions are viable, have potential to leverage investment capital and include appropriate timeline to implementation and scalability	x/15	
	2.4 Scale of positive impact for coastal and reef dependent communities. (i.e. number of benefactors and type)	x/10	



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	2.5 Addresses multiple drivers of stress on coral reefs and associated ecosystems (e.g. actions taken to reduce poor water quality, as well as destructive fishing practices) with clear metrics, timelines, and route to delivery	x/5	
	2.6 Project aims to address issues of gender and social inclusion with clear metrics, timelines, and delivery routes (e.g. more economic opportunities for women)	x/5	
3. Delivery and operations	3.1 Roles and responsibilities (clarity and appropriateness of governing and policy frameworks) with local employment favored and gender balanced	X/8	40%
	3.2 Partners and Capacities (technical capacities and/or abilities) to access, readiness of actors involved, baseline metrics, capacity for monitoring and reporting impacts	X/8	
	3.3 Duration and milestones (clarity and appropriateness of) with risks and mitigating factors delineated	X/8	
	3.4 Envisioned full programme cost adequacy (cost-efficiency and appropriateness)	X/8	
	3.5 Stage of development—is the concept past the idea stage or existing initiatives to build from.	X/8	

ANNEX II: ADDITIONAL BASELINE DATA

Please provide any site-specific documents of baseline studies on coral reef ecosystem health, resiliency to climate change and baseline data on socio-economic context.

The most recent comprehensive assessments of Seychelles MPAs and Coral Reefs are to be found in the following documents:

- 1) UNEP-Nairobi Convention and WIOMSA. 2021. *Western Indian Ocean Marine Protected Areas Outlook: Towards achievement of the Global Biodiversity Framework Targets.* UNEP and WIOMSA, Nairobi, Kenya, 298 pp. ISBN: 978-9976-5619-0-6
- 2) GoS (2021). *Seychelles National Policy and Strategic Action Plan on Coral Reef Conservation and Management.* Ministry of Agriculture, Climate Change and Environment, Victoria, Seychelles.



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Ocean's RESOLVE partners and stakeholders are mobilizing to supplement these general assessments with site-specific baselines of coral reef health, and a compendium of updated baselines and scientific reports will be analysed and interpreted at the start of the Ocean's RESOLVE programme development phase.



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ANNEX III: BUSINESS MODELS AND FINANCIAL INSTRUMENTS

Please provide any specific documents or graphics that illustrate in greater detail the financial models associated with the interventions of the programme.

Intervention # 1: Integrated Land Use and Waste Management (ILUWM)

<p>Category: Integrated land-use analysis and assessment, combined with waste flow mapping, EIA, and range of resilience solutions.</p>	<p>Degradation driver addressed:</p> <ul style="list-style-type: none"> ▪ Pollution ▪ Coral disease ▪ Algal bloom 	<p>Current Status:</p> <ul style="list-style-type: none"> ▪ Contributes to Seychelles NDC mitigation targets. ▪ Indexed in Seychelles Solid Waste Masterplan. <p>Forecast: Program Phases 2 + 3</p>
<p>Partners:</p> <ul style="list-style-type: none"> ▪ Coordinating Partner: SeyCCAT ▪ Other orgs TBC selected to lead specific projects. <p>Key Stakeholders or Implementers: Landscape and Waste Management Agency (LWMA), Ministry of Finance (MoF), Public Utilities Corporation (PUC), Waste, Enforcement and Permit Division (WEPD), Waste Management Trust Fund (WMTF), Oceans Finance Company (OFC), Others TBC.</p>	<p>Business Model:</p> <ul style="list-style-type: none"> ▪ Mapping, assessment, and analysis of effluent flow from land-based activities to sea. ▪ Participative Land-Use Planning (PLUP) ▪ Wastewater management ▪ Bio-Circular-Green (BCG) economy for plastic and solid waste management ▪ Organic farming and island agroforestry ▪ Sewage treatment plants ▪ Landfill management ▪ Environmental Impact Assessments (EIA) of agricultural development in Outer islands. 	<p>Financing Requirements:</p> <ul style="list-style-type: none"> ▪ Estimated approx. \$5 million in concessionary finance. ▪ Estimated approx. \$5 million in loan guarantee. ▪ Estimated approx. \$10 million in investments.
<p>Expected leveraging ratio:</p> <ul style="list-style-type: none"> ▪ Anticipated leveraging ratio of 1:5 	<p>Revenue / Return on Investment (RoI):</p> <ul style="list-style-type: none"> ▪ Public subscription fees for waste collection and processing, from individuals, HHs, and companies, combined with initial GOS subsidy, will likely yield a 5%-10% profit margin. 	<p>Beneficiaries:</p> <ul style="list-style-type: none"> ▪ Depending on the physical location of the facilities, this can be several thousand people. <p>Local community engagement:</p> <ul style="list-style-type: none"> ▪ Extensive local community awareness raising and consultations, as well as an environmental impact assessment (EIA), will have to



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		<p>be undertaken prior to the launch of the project.</p> <ul style="list-style-type: none"> ▪ Free, Prior, Informed Consent (FPIC) will have to be secured from community leaders. ▪ Tangential community projects providing small-scale and localized waste management solutions to local communities, with the assistance of company staff.
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Intervention # 2: Invasive Species Control for Near-Shore Ecosystem Recovery

<p><u>Category:</u> Biodiversity</p>	<p><u>Degradation driver addressed:</u> Reef degradation and destruction</p>	<p><u>Current Status:</u> Seychelles Islands Foundation (SIF), a SeyCCAT and Ocean’s RESOLVE PIP, is focused on reducing land-based ecosystem disfunctions, such as the prevalence of invasive alien species that negatively affect coral reef ecosystems and resilience. This proposed intervention would seek to establish pre-eradication reef health baselines, explore, and prepare and eradication of invasive mammal species to restore island biodiversity (notably seabirds; likely to broaden to other species) to equilibrium, thereby having a positive impact on surrounding reef health and resilience.</p> <p><u>Forecast:</u> Program Phases 1, 2, and 3</p>
<p><u>Partners:</u></p> <ul style="list-style-type: none"> ▪ Lead Partner: SeyCCAT ▪ Key Stakeholders: MACCE, Seychelles National Parks Authority (SNPA), etc. ▪ Implementing Partner(s): Seychelles Islands Foundation (SIF) 	<p><u>Business Model:</u> Reefs are more resilient due to no land invasive alien species (and resulting seabird abundance) also become prime destinations for eco-tourism activities, and good regional and national seeding grounds as reef refugia.</p>	<p><u>Financing Requirements:</u></p> <ul style="list-style-type: none"> ▪ TBD during the PDP.



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<p><u>Expected leveraging ratio:</u></p> <ul style="list-style-type: none"> Anticipated leverage ratio – 1:3 	<p><u>Revenue / Return on Investment (RoI):</u></p> <ul style="list-style-type: none"> N/A, unless non-financial measures are taken into account. 	<p><u>Beneficiaries:</u></p> <ul style="list-style-type: none"> The Aldabra archipelago has very few inhabitants, so the direct beneficiaries are likely to be few. The PDP will determine generate estimations for indirect beneficiaries. High potential for replicability and uptake. <p><u>Local community engagement:</u></p> <ul style="list-style-type: none"> In locations where the islands have inhabitants, they will be consulted and informed.
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Intervention # 3: Blue Barrier Solutions

<p><u>Category:</u> Coastal Climate Adaptation through Coral Reef Resilience</p>	<p><u>Degradation driver addressed:</u> Several drivers are influenced by this intervention:</p> <ul style="list-style-type: none"> Physical degradation and destruction Pollution Plague Species Coral diseases Algal blooms 	<p><u>Current Status:</u> The GoS with technical support from the World Bank is completing pre-feasibility studies on piloting hybrid coral reef recovery projects at selected sites across the Seychelles, and SeyCCAT is in discussion with them to have the GFCR Ocean's RESOLVE programme implement some of this pioneering work.</p> <p><u>Forecast:</u> Program Phases 1, 2, and 3.</p>
<p><u>Partner(s):</u></p> <ul style="list-style-type: none"> Lead Partner: TBC Lead Stakeholders: MACCE, World Bank, SeyCCAT, Nature Seychelles, etc. <p>Lead Implementers: TBD during the "Programme Design Phase."</p>	<p><u>Business Model:</u> Coral reef restoration activities which can help to deliver coastal protection and climate resilience objectives in the Seychelles in line with foundational work completed under the WB and GOS "<i>Strategies for Large Scale Coral Reef Restoration for Coastal Resilience in the Seychelles</i>" Project¹⁰.</p>	<p><u>Financing Requirements:</u> Size (area covered) and location will determine the costs of each Blue Barrier which can vary greatly (from USD 0.5M to 5M). A blended scheme combining grants, public and private funds (hotels) could be considered. To be further determined in upcoming consultations with the WB and the GOS (MACCE). Current estimations</p>

¹⁰ Deltares (2018): *Quick-Scan Runup Reduction through Coral Reef Restoration in the Seychelles*; CMP (2019): *Seychelles Coastal Management Plan*; BMT (2019): *Strategies for Large Scale Coral Reef Restoration for Coastal Resilience in the Seychelles*; Blue Barrier Case (End of 2021): *Coastal Modelling and Assessment of Potential Solutions for Coastal Defence and Adaptation Measures at Priority Sites in Seychelles*.



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		<p>aggregate to approximately \$50 million financing need for a solution at scale.</p>
<p><u>Expected leveraging ratio:</u></p> <ul style="list-style-type: none"> ▪ Anticipated leveraging ratio of 1:3 	<p><u>Revenue / Return on Investment (RoI):</u></p> <ul style="list-style-type: none"> ▪ Revenue model based on costs savings from beach maintenance, construction of protective measures, and recovery costs after coastal flooding damages (hotels and other coastal businesses) + potential recreation activities. 	<p><u>Beneficiaries:</u></p> <ul style="list-style-type: none"> ▪ Coastal businesses (inc. eco-tourism), key coastal infrastructure, beach users at priority sites with high economic and social value (e.g., Cote D’Or, Beau Vallon or Amitié, Grand Anse are current options assessed). ▪ Local fishing and shoreline communities will benefit directly from this intervention, with up to 3,000 individuals being directly affected. <p><u>Local community engagement:</u> Local shoreline communities – often fishing communities – will not only be consulted, but may well be employed by the project in participatory MEAL.</p>



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Intervention # 4: Eco-Tourism Services & Facilities

<p><u>Category:</u> Tourism</p>	<p><u>Degradation driver addressed:</u> i. Physical alterations and destruction ii. Pollution iii. Coral diseases</p>	<p><u>Current Status:</u> Ambition articulated in Seychelles Blue Economy Roadmap</p> <p><u>Forecast:</u> Program Phases 1, 2, 3, and 4.</p>
<p><u>Partners:</u></p> <ul style="list-style-type: none"> ▪ Potential Partners: Seychelles Sustainable Tourism Foundation (SSTF), Islands Conservation Society (ICS), Department of Tourism, etc. <p>Implementing Partners: TBC</p>	<p><u>Business Model:</u> Two activity streams – (a) funding, technical support, architectural and construction advice, and low-footprint operational guidance and accompaniment to any tourism businesses that want to transition to low-impact sustainable eco-tourism activities; and (b) funding, technical support, architectural and construction advice (Including a renewable energy scheme for small and medium scaled hotel operators to reduce their GHG emissions and energy use), and low-footprint conservation guidance and accompaniment to any local community owned and run eco-tourism businesses, including community-owned eco-resorts, sightseeing, and experiential businesses.</p>	<p><u>Financing Requirements:</u></p> <ul style="list-style-type: none"> ▪ Estimated approx. \$4 million in concessionary loans ▪ Estimated approx. \$6 million in investment guarantees ▪ Estimated approx. \$30 million in equity investments.
<p><u>Expected leveraging ratio:</u></p> <ul style="list-style-type: none"> ▪ Anticipated leveraging ratio of 1:5 	<p><u>Revenue / Return on Investment (RoI):</u> Order of magnitude estimation: 10% - 20% (depending on market conditions) over the medium to long-term.</p>	<p><u>Beneficiaries:</u></p> <ul style="list-style-type: none"> ▪ Direct beneficiaries will be: (a) 10-15 Seychelles-based SMEs each employing 10-50 local employees; and (b) 5-10 community owned and run SMEs launched on sustainable pathways, each employing 10-50 local employees. ▪ Indirect beneficiaries estimated at 3,000 individuals from the local community benefiting from trickle-down and cascade or tangential benefits of those



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		<p>employments and revenue generation.</p> <p><u>Local community engagement:</u></p> <ul style="list-style-type: none"> Community awareness raising during programme development phase, followed by community and stakeholder consultations, participative planning processes, and community led business training and coaching. <p>Establishment of community approved benefit sharing scheme and coaching on social business practices.</p>
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Intervention # 5: Sustainable Fisheries & Mariculture

<p><u>Category:</u> Biodiversity</p>	<p><u>Degradation driver addressed:</u> Overfishing</p>	<p><u>Current Status:</u> Alignment with:</p> <ul style="list-style-type: none"> European Union and Seychelles' Sustainable Fisheries Partnership Agreement 2020 -2026 Mahé Plateau Trap and Line fishery Co-Management Plan <p><u>Forecast:</u> Program Phases 1, 2, and 3</p>
<p><u>Partners:</u></p> <ul style="list-style-type: none"> Lead Partner: SeyCCAT Key Stakeholders: Seychelles Fisheries Authority (FSA), Seychelles Investment Board (SIB), World Bank SWIOFish3 Programme. Implementing Partner(s): Oceans Finance Company (OFC), University of Seychelles, Others TBC. 	<p><u>Business Model:</u> This initiative is about two things – (a) converting fishing enterprises with unsustainable practices to sustainable fisheries, and (b) supporting the launch (with the incubator and accelerator) of sustainable fisheries businesses, including investments in new low-impact equipment, materiel, and technologies.</p>	<p><u>Financing Requirements:</u></p> <ul style="list-style-type: none"> Estimated approx. \$0.5 million in grants. Estimated approx. \$3 million in concessionary loans. Estimated approx. \$12 million in loan and investment guarantees. Estimated approx. \$30 million in equity investments.
<p><u>Expected leveraging ratio:</u></p> <ul style="list-style-type: none"> Anticipated leveraging ratio of 1:5 	<p><u>Revenue / Return on Investment (RoI):</u> Order of magnitude estimation: 5% - 10% (depending on market conditions) over the long-term.</p>	<p><u>Beneficiaries:</u></p> <ul style="list-style-type: none"> Estimated anticipated # of direct beneficiaries: 4,000



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		<p>individuals (incl. approx. 2,000 jobs)</p> <ul style="list-style-type: none">▪ Estimated anticipated # of indirect beneficiaries: 8,000 (cascade or knock-on revenue or benefits) <p><u>Local community engagement:</u></p> <ul style="list-style-type: none">▪ Ocean's RESOLVE Programme will engage with fisher(wo)mens associations and groups in the targeted localities.▪ Ocean's RESOLVE will also undertake awareness raising, consultations, and participatory planning with fishing communities.▪ Local fisher(wo)men will be employed by the programme to undertake MEAL.
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Intervention # 6: Blue Carbon Value Chain Development (VCD)

<p><u>Category:</u> Carbon Finance</p>	<p><u>Degradation driver addressed:</u></p> <ul style="list-style-type: none"> ▪ Physical alteration and destruction <p>As part of the holistic “Triple-Nurture” concept, whereby protection of three communities of species, namely mangroves, seagrass, and coral reefs, together and concurrently produces a pronounced favourable environment for coral reef recovery and species migration between habitats, seagrass-based blue carbon incentivises the protection of corals and mangroves by channelling some of the revenue to the other two communities and increasing additionality rates.</p>	<p><u>Current Status:</u> One project underway, another under discussion:</p> <ul style="list-style-type: none"> ▪ Seagrass Conservation Pool (Blue Carbon, underway) ▪ Biodiversity Credits (under discussion) <p><u>Forecast:</u> Program Phases 1, 2, 3 and 4 (with revenue flows starting in Phase 4)</p>
<p><u>Partners:</u></p> <ul style="list-style-type: none"> ▪ Intervention Lead: SeyCCAT <p>Implementation Partners: Silvestrum, Pew Trust, Carbon 8 Capital, Inc., Oceans Finance Company (OFC), Climate Fund Managers (CFM)</p>	<p><u>Business Model:</u></p> <p>Private sector Impact Investment brokers have already shown considerable interest in this model and are already in discussion to invest \$10-\$20 million in start-up capital (equity/own funds) to complete the preparatory quantification and valuing of carbon sequestration. The business model rests on science needing costly technologies upfront, and a rigorous monitoring, reporting, and verification (MRV) process throughout the life of the programme. The valuation of the carbon and certification of the credits for trade on voluntary markets is part of the relatively long gestation period before revenue start to flow back to investors and beneficiaries.</p>	<p><u>Financing Requirements:</u></p> <ul style="list-style-type: none"> ▪ Estimated approx. \$500,000 from GFCR Grant Window ▪ Estimated approx. \$5 million from UNCDF in concessionary loans ▪ Estimated approx. \$10 million in equity investments.



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<p><u>Expected leveraging ratio:</u> Range of 1:3 – 1:5</p>	<p><u>Revenue / Return on Investment (RoI):</u></p> <ul style="list-style-type: none"> ▪ Order of magnitude estimation: 15% - 25% (depending on market conditions) over the long-term. 	<p><u>Beneficiaries:</u></p> <ul style="list-style-type: none"> ▪ 20,000 individuals (approx. 4,000 households) <p><u>Local community engagement:</u></p> <ul style="list-style-type: none"> ▪ Awareness raising and consultation process with local communities + participatory planning process ▪ Jobs potentially created: 500-1,000 employment, for MEAL and logistics support over program life. ▪ Establishment and launch of tradable carbon and biodiversity credit benefit sharing scheme for local communities.
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Intervention # 7: Blue-Green Bonds

<p><u>Category:</u> Blended Finance</p>	<p><u>Degradation driver addressed:</u> All drivers in one way or another, depending on focus of businesses</p> <ul style="list-style-type: none"> ▪ Ocean warming ▪ Physical degradation and destruction ▪ Pollution ▪ Plague Species ▪ Coral diseases ▪ Algal blooms 	<p><u>Current Status:</u> While this concept currently under development, SeyCCAT already participates in a \$15 million Blue Bond scheme established with the World Bank, IBRD, and the Global Environment Fund (GEF).</p> <p><u>Forecast:</u> Program Phases 1, 2, and 3.</p>
<p><u>Partner(s):</u></p> <ul style="list-style-type: none"> ▪ Lead Partner: SeyCCAT <p>Lead Implementers: The Nature Conservancy (TNC), Oceans Finance Company (OFC), Development Bank of the Seychelles (DBS), Others TBC.</p>	<p><u>Business Model:</u> A substantial portfolio of Blue Bonds would be issued by SeyCCAT and financial partners (World Bank, IBRD, GCF, etc.) on revenue generated by investments into a range of Seychelles blue industries (sustainable upmarket tourism, waste management infrastructure, sustainable fisheries and mariculture, renewable energy, etc.) with growth prospects, with a portion of the revenues redirected to support coral ecosystem conservation and MPAs.</p>	<p><u>Financing Requirements:</u> This will likely be a function of investments in Seychelles renewable energy transition, but a bond issuance of approximately \$50 million is conceivable. The Ocean's RESOLVE programme will examine what other sectors the blue bond could support.</p>
<p><u>Expected leveraging ratio:</u></p> <ul style="list-style-type: none"> ▪ Anticipated leveraging ratio of 1:5 	<p><u>Revenue / Return on Investment (RoI):</u></p> <ul style="list-style-type: none"> ▪ Estimated at 8% - 12% annually. 	<p><u>Beneficiaries:</u></p> <ul style="list-style-type: none"> ▪ Given the possibility to deploy the revenue from Blue Bonds across a wide range of conservation priorities, it is not inconceivable that a large beneficiary pool may be positively impacted by this mechanism. Initial estimates could reach 25,000-30,000 individuals. <p><u>Local community engagement:</u> Considerable awareness raising and education would have to be undertaken with targeted communities and stakeholders, so that a broad cross-section of Seychelles society at least understands how it is structured,</p>



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		how it works, and what is the underlying value.
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Intervention # 8: Blue Enterprise Fund (Incubator & Accelerator)

<p><u>Category:</u> Blue Economy Growth</p>	<p><u>Degradation driver addressed:</u> All drivers in one way or another, depending on focus of businesses:</p> <ul style="list-style-type: none"> ▪ Ocean warming ▪ Physical degradation and destruction ▪ Pollution ▪ Plague Species ▪ Coral diseases ▪ Algal blooms 	<p><u>Current Status:</u> Through the SeyCCAT administered Blue Grants Fund (BGF) which supports local conservation projects. SeyCCAT pioneered a limited blue business accelerator pilot program in collaboration with TGMI. SeyCCAT is also in discussions with Conservation Capital to scale-up the TGMI pilot through a € 50 million Blue Enterprise Fund (BEF).</p> <p><u>Forecast:</u> Program Phases 1, 2, 3, and 4.</p>
<p><u>Partners:</u></p> <ul style="list-style-type: none"> ▪ Lead Partner: SeyCCAT ▪ Lead Implementers: The Guy Morel Institute (TGMI), Seychelles Investment Board (SIB), Oceans Finance Company (OFC), Climate Fund Manager (CFM), Conservation Capital, Enterprise Seychelles Agency (ESA), Seychelles Fishing Authority (SFA), Seychelles National Youth Council, National Institute for Science Technology and Innovation, Others TBC. ▪ Key stakeholders: MACCE, Min. of Finance, etc. 	<p><u>Business Model:</u> This BEF would drive the development of a transformative, diversified, inclusive, sustainable, and energised blue economy in the Seychelles that contributes to the socio-economic development of the country while protecting marine ecosystems and life that it depends upon for its prosperity. The BEF would have an investment strategy aimed at diversifying this nascent blue economy, which is currently mainly focused on the traditional fishing and tourism sectors, by targeting more innovative sectors such as mariculture, renewable energy, and biotechnology. The BEF would provide a source of finance to local businesses that is accessible (with reduced bureaucracy and conditionality) and competitive (Favourable terms). <u>Number of deals:</u> The fund would aim to do 20 to 30 deals during its 10-year horizon. The ultimate number of deals would largely be dependent on the resources and capacity of the fund manager (note: more</p>	<p><u>Financing Requirements:</u></p> <ul style="list-style-type: none"> ▪ Estimated approx. \$300,000 in grant funding for concept operationalization. ▪ Estimated approx. \$300,000 in concessionary finance.



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	<p>deals would drive up the cost of capital, as more resources, time and capacity is required from the fund manager);</p> <p><u>Loan size:</u> Given the number of deals, the average deal size would likely be between EUR 1.5 and 2.5 million, with the minimum and maximum sizes to be fixed at EUR 500,000 and 5 million respectively;</p> <p>Focus areas: The Seychelles Blue Economy Strategic Policy Framework and Roadmap sets out 8 strategic priorities and emerging focus areas that require investment.</p> <p><u>Target enterprises:</u> The fund would target and invest in early stage growth businesses that are near to or have achieved positive cash flow;</p> <p><u>Deal size:</u> Businesses need to be able to absorb financing in the range of EUR 500,000 to 5 million;</p> <p><u>Target sectors (but not limited to):</u> fish processing and value addition and its direct value chains; sustainable tourism; mariculture; renewable energy; and marine biotechnologies.</p>	
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<p><u>Expected leveraging ratio:</u></p> <ul style="list-style-type: none"> Anticipated leveraging ratio of 1:5 	<p><u>Revenue / Return on Investment (RoI):</u></p> <ul style="list-style-type: none"> Order of magnitude estimation: 5% - 12% (depending on market conditions) over the medium to long-term. 	<p><u>Beneficiaries:</u></p> <ul style="list-style-type: none"> With 50-75 investments annually into SMEs employing between 10-70 staff, this initiative may directly impact the lives of 7,000+ people. Indirect beneficiaries could well triple or quadruple the direct figure to reach 25,000+ people. <p><u>Local community engagement:</u></p> <ul style="list-style-type: none"> The Ocean's RESOLVE Programme would undertake preliminary awareness raising in local communities, followed by consultations with community leaders. <p>A proportion of the investments would seek to have both a positive environmental and a social impact, and local people would be employed to monitor that impact.</p>
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Intervention # 9: Optimal MPA Management Pilot Schemes

<p><u>Category:</u> Improved MPA Management and Coordination</p>	<p><u>Degradation driver addressed:</u> All drivers in one way or another:</p> <ul style="list-style-type: none"> ▪ Physical degradation and destruction ▪ Pollution ▪ Plague Species ▪ Coral diseases ▪ Algal blooms 	<p><u>Current Status:</u> Recommendations provided in the:</p> <ul style="list-style-type: none"> ▪ Seychelles National Policy and SAP on Coral Reef Conservation and Management (2021) ▪ Seychelles National Biodiversity Strategy and Action Plan 2015-2020 (2014) ▪ Seychelles MSP Policy (2020) <p><u>Forecast:</u> Program Phases 1, 2, and 3.</p>
<p><u>Partners:</u></p> <ul style="list-style-type: none"> ▪ Intervention Lead: SeyCCAT ▪ Implementation Partners: SNPA, others TBD. 	<p><u>Business Model:</u> All conservation actors, blue economy businesses, ocean science and research projects, and specialised agencies face the high transport and logistics costs of operating in distant and remote reaches of the Indian Ocean. This business idea proposes to pool the transport and logistics services to achieve economies of scale, whereby local operators needing access to their areas of operation would buy shares and book services from a joint transport and logistics company that would provide the same service for a fee to the many operators needing access.</p>	<p><u>Financing Requirements:</u> This is to be determined during the PDP, but back-of-the-envelope estimations seem to indicate the following:</p> <ul style="list-style-type: none"> ▪ \$1 million in concessionary loans ▪ \$1 million in grants
<p><u>Expected leveraging ratio:</u></p> <ul style="list-style-type: none"> ▪ Anticipated leveraging ratio of 1:2 	<p><u>Revenue / Return on Investment (RoI):</u></p> <ul style="list-style-type: none"> ▪ Restoration to optimal ecosystem service functionality underpins value addition in other sectors. 	<p><u>Beneficiaries:</u></p> <ul style="list-style-type: none"> ▪ Direct beneficiaries will include all NGOs, CSOs, GOS, customary leaders, scientists & research teams, and eco-tourism operators. ▪ Indirect beneficiaries will include the many communities impacted by GFCR programming. <p><u>Local community engagement:</u> Awareness raising, consultations, and engagement of local communities will be undertaken. Local community members may</p>



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		even secure employment under the scheme.
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Annex IV: Accountability, financial management, and public disclosure

[TEXT IS FIXED DO NOT CHANGE]

The Programme will be using a pass-through fund management modality where UN Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Programme through the AA.

The convening agent and recipient organizations shall assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent of the Global Fund for Coral Reefs (Multi-Partner Trust Fund Office). Such funds will be administered by each recipient organizations, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each recipient organizations shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Recipient Organizations recovered through programme support costs will be 7%. All other costs incurred by each entity in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs. The project management cost should not exceed 18%.

Funding by the GFCR will be provided on an annual basis, upon successful performance of the programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the GFCR.

Partners must comply with GFCR Fund brand guidelines, which includes information on donor visibility requirements.

Each recipient organization will take appropriate measures to publicize the GFCR and give due credit to the other partners. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, partners, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each recipient organization and partners in all external communications related to the GFCR.

Annex V: Project Administrative Arrangement for Recipient Organizations

On behalf of the Recipient Organizations, and in accordance with the UNDG-approved “Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN funds” (2008), the MPTF Office as the AA of the GFCR will:



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- Disburse funds to each of the Recipient Organizations in accordance with instructions from the GFCR Global Team. The AA will normally make each disbursement within fifteen (15) business days after having received instructions from the GFCR Global Team along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate the financial statements (Annual and Final), based on submissions provided to the AA by Recipient Organizations and provide the GFCR annual consolidated progress reports to the donors and the GFCR Global Team;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is completed by the Recipient Organizations. A project will be considered as operationally closed upon submission of a joint final narrative report. In order for the MPTF Office to financially close a project, each RO must refund unspent balance of over 250 USD, indirect cost (GMS) should not exceed 7% and submission of a certified final financial statement by the recipient organizations' headquarters);
- Disburse funds to any RO for any costs extension that the GFCR Global Team may decide in accordance with the GFCR rules & regulations.

Accountability, transparency and reporting of the Recipient Organization:

Each Recipient Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by each Recipient Organization in accordance with its own regulations, rules, policies and procedures, including those relating to interest

The Recipient Organization will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each recipient in accordance with its own regulations, rules, directives and procedures.

The Recipient Organization will have full responsibility for ensuring that the Activity is implemented in accordance with the signed Project Document;

In the event of a financial review, audit or evaluation recommended by the Executive Board, the cost of such activity should be included in the project budget;

Ensure compliance with the Financing Agreement and relevant applicable clauses in the Fund MOU.

Reporting:

Each Receipt Organisation will provide the Administrative Agent and the Fund Secretariat with:

Type of report	Due when	Submitted by
Bi-annual project progress report	15 June	Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist



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Annual project progress report	15 November	Convening Agent on behalf of all implementing and recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist
End of project report covering entire project duration	Within three months from the operational project closure (it can be submitted instead of an annual report if timing coincides)	Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist
Annual progress report, which may contain a request for additional GFCR allocation if the context requires it	15 December	Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team

For the preparatory grant financing, the full programme document will be considered as the annual reports. The GFCR Global team might request a summary of the preparatory activities.

Financial Reports and timeline

The financial reporting requirements for the below follow the 8 UNDG budget categories.

Timeline	Event
28 February	Annual reporting – Report Q4 expenses (Jan. to Dec. of previous year)
30 April	Report Q1 expenses (January to March)
31 July	Report Q2 expenses (March to June)
31 October	Report Q3 expenses (January to September)
<i>Certified final financial report to be provided at the quarter following the project financial closure</i>	

Unspent Balance exceeding USD 250 at the closure of the project would have to be refunded and a notification sent to the Administrative Agent, no later than three months (31 March) of the year following the completion of the activities.

Ownership of Equipment, Supplies and Other Property

Matters relating to the transfer of ownership by the Recipient Organization will be determined in accordance with applicable policies and procedures defined by the Fund.

Public Disclosure



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The Fund Secretariat and Administrative Agent will ensure that operations of the GFCR are publicly disclosed on the GFCR website (<https://globalfundcoralreefs.org>) and the Administrative Agent website (<http://www.mptf.undp.org>)

Final Project Audit for recipient organization projects (Not Applicable to Preparatory Grant)

An independent project audit will be requested by the end of the project (For multi-year projects the GFCR Executive Board might request add. audit reports). The audit report needs to be attached to the final narrative project report. The cost of such activity must be included in the project budget.

Special Provisions regarding Financing of Terrorism

Consistent with UN Security Council Resolutions relating to terrorism, including UN Security Council Resolution 1373 (2001) and 1267 (1999) and related resolutions, the Participants are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. Similarly, all Recipient Organizations recognize their obligation to comply with any applicable sanctions imposed by the UN Security Council. Each of the Recipient Organizations will use all reasonable efforts to ensure that the funds transferred to it in accordance with this agreement are not used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime. If, during the term of this agreement, a Recipient Organization determines that there are credible allegations that funds transferred to it in accordance with this agreement have been used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime it will as soon as it becomes aware of it inform the head of Fund Secretariat, the Administrative Agent and the donor(s) and, in consultation with the donors as appropriate, determine an appropriate response.

Annex VI: Provisions Related to the Prevention of and Response to Sexual Harassment (SH) and Sexual Exploitation and Abuse (SEA) involving Implementing Partners (IPs)

1. 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**



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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.

2. 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 (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 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 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 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.

2. 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, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.