



ANNUAL NARRATIVE REPORT:

Micronesia Coral Reefs

January – December 2024

Programme Overview

Programme Title: Micronesia Coral Reefs Programme Number: 00140550 Programme webpage: [If applicable]	Start Date: January 2024 End Date: December 2030
Country/ies: Region-Micronesia, Countries-Republic of the Marshall Islands (RMI), Federated States of Micronesia (FSM), Republic of Palau (ROP) Priority Coral Reef Site/s: RMI: Majuro, Arno and Namdrik Atolls, Bokak and Bikar FSM: Yap Proper, Chuuk Lagoon, Pohnpei Island, and Kosrae Island ROP: Northern Reefs (Kayangel and Ngarchelong), Dmakeiukl (Aimeliik, Ngatpang, Ngardmau and Ngeremlengui), Koror	Implementing Partner/s: Micronesia Conservation Trust, University of Guam, Pacific Island Tuna, Pacific Islands Development Bank, Palau International Coral Reef Center, FSM/RMI/ROP Development Banks, local NGOs in FSM/RMI/ROP
Total GFCR Budget: 10,000,000; Phase 1: \$1,996,620	
[Convening Agent]: The Nature Conservancy [UNCDF Blue Bridge, if applicable]: [Other Co-recipients, if applicable]:	

The Micronesia Coral Reefs programme will build on the strong regional institutional and political architecture consolidated over the last 16 years through the Micronesia Challenge (MC). The programme will contribute to the targets adopted under the Challenge by the three programme countries and will accelerate the development of reef-positive business models in the region, especially in ecotourism, sustainable fisheries, sustainable aquaculture, and waste and water management sectors. In addition, it will advance science on reef resilience and coral reef restoration. The programme will implement financial mechanisms such as a Green Fee to leverage finance for the conservation, restoration, and sustainable use of coral reefs in Micronesia to support the communities' livelihoods and food security, enhancing their climate resilience. With the additional finance for conservation and strengthened partnerships with

the private sector, the programme is expected to leverage at least an additional USD 10.5 million in grant co-financing and USD 28.8 million in private and public sector investment to help achieve the MC targets, especially the effective management of 50% of the marine resources across the region.

Micronesia is a global conservation priority; its 1,732,200 ha of coral reefs are home to approximately 480 species of corals and 1300 species of reef fish. Over 400,000 people's livelihoods and economies depend on functional reef systems in the region, yet they are threatened due to anthropogenic and natural factors. Key threats include sedimentation from poor land-use practices; overfishing and destructive fishing practices; coastal development resulting in conversion or damage to nearshore habitats; and climate impacts, including ocean warming, sea level rise, changing water salinity and acidity, saltwater intrusion and changes in rainfall patterns.

TNC, together with regional and local co-implementers, proposed the Micronesia Coral Reefs Programme to the GFCR. The proposed Programme will work in key priority sites across three jurisdictions, Federated States of Micronesia (FSM), the Republic of Marshall Islands (RMI) and the Republic of Palau (ROP) to conserve and restore coral reef ecosystems through effective management and improved livelihoods by providing food security, sustainable development and coastal resilience to climate change. The Programme will support the co-creation of financial solutions with country, NGO and community partners that tackle key drivers of degradation and contribute to the conservation and restoration of coral reefs in Micronesia. The Programme will be designed to deliver key priorities of the Micronesia Challenge (MC) 2030 – a regional commitment to conserve 30% of the nearshore marine resources and effectively manage 50% of all marine resources out to the edge of the EEZ by 2030. The Programme will build upon the robust regional architecture and strong partnerships with government agencies, NGOs, academic institutions, and community groups developed over the last 30 years of TNC's presence in the region.

Report submitted by:

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I. Executive Summary

1. Programme Progress Update

To begin the work on the detailed monitoring and evaluation plan for the Micronesia Challenge (MC), we have now signed grant agreements with our NGO technical partners in the three countries we are working in. These partners will also be conducting coral reef monitoring in the field. The data will be collected, combined with existing data, and used to identify potential refugia sites in the three countries. Some partners have started the monitoring work while others are waiting for better weather to start the field monitoring work in a few months.

To ensure successful management of each country's Protected Areas Network, during the reporting period, we have conducted several capacity building activities across the region, engaging community members, traditional and political leaders and conservation coordinators and officers.

In terms of financing models, we are now in the process of assessing the feasibility of implementing the Green Fee in the Federated States of Micronesia and in the Republic of the Marshall Islands. Palau already has an existing Green Fee that is being used as a model for potential green fees in the other two countries. We have also made progress in efforts to secure long-lasting resources for the MC. We have passed the viability stage of a Project Finance for Permanence (PFP) with the Enduring Earth partnership and now are moving into the feasibility stage, which includes a deeper assessment of sustainable finance mechanisms.

To support community livelihoods and the development of reef-positive businesses, we are in the process of finalizing the operational procedures that will be used by MCT for the MC2030 Livelihood Fund. We expect to have our first call for applications within the next several months.

We have also signed partnership agreements with the FSM Development Bank and the Marshall Island Development Bank to establish the Blue Economy Accelerator Fund, which will bring together their private funding and our technical support to help reef-positive businesses and enterprises.

We have been exploring ways to support coral reef management with funding from sustainable fisheries and supply chain models by supporting Pacific Island Tuna (PIT). Through this funding, PIT will conduct a feasibility study for expansion to new geographic areas and to new products to develop a business plan and investment model for growth. The increase in revenue will lead to an increase in support for local coral reef management since 40% of PIT's profits will go directly to support local coral reef management in the RMI.

In terms of coral restoration, we have been focusing on training and identification of heat tolerant corals that will be used for restoration and establishment of pilot sites in Palau. Our consultations across the region have shown there is great interest in coral restoration and we are working with our partners to develop our strategy to scale coral restoration across Micronesia.

Finally, we have been conducting capacity building for communities on climate adaption, including scheduled trainings on management planning and Local Early Action Planning (LEAP). Capacity building has been extended to the local media in Palau because they felt they were not knowledgeable enough on climate change issues to properly cover it in the local papers.

For the next reporting period, we anticipate having all the contracts awarded for the next period. Additionally, we would expect the Livelihood Fund to be up and running while we finalize the setup of the Accelerator Fund

2. Milestones and Adaptations

For the reporting period, we made significant steps toward all our milestones. While we have not yet identified climate change refugia in all the countries, we have done for one country, and we are in the process of doing that for the other countries. We have also started work on the feasibility study for the financing models, though they have not been finalized yet.

We have achieved our milestone with the agreements with the development banks in FSM and RMI for the Blue Economy Accelerator. We are still working on getting agreement signed with the Palau Development Bank.

For coral restoration, we have several methods of growing and restoring corals that we are deploying right now in Palau, and we will scale that to other countries in Micronesia. We are also training our partners across Micronesia on how to test heat tolerant corals that will be used for restoration.

Some key challenges that we encountered was the speed of getting grants agreements and contracts in place. We had many procedures and processes that we had to go through to meet due diligence. Additionally, we had issues getting the required documents and information from our partners to complete the due diligence analysis.

There is also the challenge of bringing everyone together because the program includes three countries and many partners. We tend to focus on the key partners that we work directly with but not enough attention is given to government partners. Because of that lack of in-person meetings, government partners demonstrate that they lack a sense of ownership when it comes to coral work. To address this, we will be putting extra effort into communications and outreach to our government partners and engaging them so they can see how critical they are to this work.

One final challenge that we did not anticipate is how hard it is to find people to fill positions and do the work on the ground. We have sent out several calls for expression of interest that did not generate sufficient applications. Because of a lack of capacity, we had to put extra efforts and extra time to get some contracts, which delayed the implementation.

We have confirmed that there will often be implementation issues that affect the program's timeline, so we need to plan accordingly. Additionally, with so many people involved, both within and outside TNC, we need to prioritize engaging and sharing information among all partners.

3. 2025 Outlook

The main objective for 2025 is to conclude all the work that has started but is still ongoing. These work laid the foundation for the GFCR Programme in Micronesia. In addition, we will conduct a landscape assessment for small and medium reef-positive businesses and new business ideas and conduct large-scale investments for large-scale investment opportunities. We will also continue to explore potential options for a financial mechanism for restoration.

II. Programme Progress Overview

1) Outcome 1: Increased protection and effective management of priority coral reef sites including climate “refugia”

To move toward achieving outcome 1, we have completed grant agreements with our NGO partners in the RMI, FSM and Palau. The NGO partners will be collecting coral reef data in the priority sites. In Palau, Palau International Coral Reef Center had completed the design of their monitoring program, have completed all the field work and have submitted their invertebrate data. They are still in the process of extracting their fish and benthic data, which we expect would be ready in about 2 months. In Pohnpei, they already completed their monitoring design and because of the bleaching event during the summer of 2024, they started conducting their bleaching surveys. The benthic data are now being processed and they should be available in the next few months. For Yap, Chuuk and Kosrae in the FSM, they have the design of their monitoring program but will have not started field work yet. They will start their monitoring surveys in May.

The coral reef monitoring data will be overlayed with satellite data to help us determine cool and hot spots and the condition of those site. Once these data are collected and analysed, which we expect by this summer, we will then compare them with existing baseline data. We will use the data, along with temperature and other data to help us identify refugia sites. Since all field surveys will be completed by May, we anticipate that by July, we would be able to identify the refugia sites. Once these sites are identified, we will work the PAN Offices and communities to put special management on these sites. Other outputs that contribute toward this outcome are the trainings for site managers, conservation officers and rangers that we have conducted in the different priority sites in Palau, Marshall Islands, and Pohnpei and Yap of FSM that focus on building capacity of Protected Area Network (PAN) site managers to manage their sites and to incorporate a climate change lens into the management of their MPAs.

The partnership we have established for coral reef monitoring involves RMI, FSM and Palau, six NGOs, and numerous government agencies. Without these partnerships, it would be extremely difficult to monitor coral reefs in this huge geographical area that we are working in for this programme.

We are already seeing progress of the work in the region, as Bikak and Bokar, which are GFCR priority sites in the Marshall Islands, were designated this year as protected areas during this reporting period. Our partners in the Marshall Islands, including the NGO, Marshall Island

Conservation Society, contributed to the efforts to designate the sanctuary. The national sanctuaries of Bikak and Bokar cover an area of 48,136 km².

2) Outcome 2: **Transformed and improved livelihoods of coral reef-dependent communities following community vision and priorities.**

We have made some important progress toward achieving outcome 2. We have come to a general agreement about the setup of the Livelihood Fund with our partner, the Micronesia Conservation Trust, for how the MC2030 Livelihood Fund will be rolled out. We are now in the process of finalizing the details on the administration of the grant, including selection of the applicants and reporting. Once the details are agreed to, we will sign the formal agreement, which we anticipate will be done by mid April, after which, we will launch the fund.

During the reporting period, we also signed agreements with the Marshall Islands Development Bank and the FSM Development Bank to partner on the Blue Economy Accelerator. The banks will be providing funding as loans to reef positive business, and we will provide the technical assistance and finance training for the applicants. We are still working on the agreement with the Palau Development Bank. This fund will bring private sector funds from the banks and technical and financial support for the program to support reef positive business and enterprises. During our consultations with the banks, one of the biggest issues they identified that have led to unsuccessful applications for businesses was the lack of technical assistance for applicants. Applicants who have gone through the Livelihood Fund and received the technical assistance that the program will provide, will have a better chance of succeeding as reef positive businesses.

3) Outcome 3: **Continuous restoration of coral reefs, including recovery after major shocks, thus maintaining ecosystem and community resilience.**

Progress toward outcome 3 includes on-site restoration work using corals that have been tested for heat tolerance. In addition to the establishment of a restoration site in Palau, we have conducted training to build capacity of NGO employees to test the heat tolerance of corals that could be used for coral restoration.

In addition to the field restoration work, we have been doing consultations and discussions with different members of the community, NGOs and government about coral restoration. Based on the consultations, we found that there is broad support for exploring coral restoration. In fact, we found that in Pohnpei, the state legislature already passed the resolution asking the Department of Marine Resources to look into restoration. Because of the lack of expertise, they were not able to start the work so they were very excited for us to start working with them on restoration. We also found out during these consultations that there are no clear regulations and guidelines on restoration. These consultations and discussions contribute to our efforts to develop a framework for climate-smart coral restoration in Palau. Once the

climate-smart coral restoration framework is completed in Palau, we will expand the work to include FSM and Marshall Islands.

2. Grants, Investment, Revenue Mobilised (Maximum 1.5 pages):

We are still in the process of developing investible pipeline.

During the reporting period, we secured USD 1.5 million funding from Coral Research and Development Accelerator Platform (CORDAP) to support coral restoration in the three countries we are working in, Palau, FSM and Marshall Islands. This funding will support work that contributes to our Outcome 3, which is restoration, including recovery from major shocks.

To explore revenue and sustainable financing, we have been working with the Enduring Earth partnership on a potential Project Finance for Permanence (PFP). The PFP would help secure long-term sustainable financing for the Micronesia Challenge Goals, which including protection and management of protected areas and the associated management practices such as coral reef monitoring. While the exacting funding for the PFP has not be determined, we anticipate it will be over 100 million US dollars. Funding for PFP will come from a combination of private businesses, philanthropic organisations and grants. There are 3 stages to the PFP process – viability is the initial assessment with the goal of a tangible vision for the PFP where expected outcomes are aligned with Enduring Earth goals for nature, climate, and people; feasibility has the goal of a comprehensive proposal, with stakeholder and rightsholder support and engagement for the PFP, with connections between conservation outcomes, community benefits, activities, costs, and funding sources; and planning has the goal to structure and execute the PFP process to ensure all parties agree to closing conditions, the conservation plan, community engagement plan inclusive of socio-economic benefits, decision-making structures and financial plans, and secure funding.

We have successfully concluded the PFP viability stage. We are now in the feasibility stage, which we expect to conclude in August. At that time, if all parties agree to proceed, the PFP will enter the planning stage, which is anticipated to take 18-24 months.

We have secured support and agreement from the National Development Banks that they will provide funding as loans for the Blue Economy Accelerator Fund. We have not started the implementation of the program as we are waiting for the MC2030 Livelihood Fund to come on board. We expect those who go through the Livelihood Fund will eventually graduate and apply to the Accelerator Fund. In the meantime, we are working with Palau Development Bank to reach an agreement for the Accelerator Fund.

3. Challenges and Lessons Learned:

For this reporting period, we can characterize it as laying the foundation for the work ahead. While we had some notable achievements, we still do not see the results of much of the work we initiated since they are still ongoing.

Key challenges, include all the due diligence requirements from our partners and how quickly our partners are able to provide what we need. Moving forward, we will consider how we can better support our partners in the work they are doing. Another area we need to focus on is how we bring all the different elements together and how we better engage our partners and collaborators so that they feel more engaged and feel more responsible for the success of this work. Another key challenge is the lack of capacity to do some of the work, including consultancies. For some call for expression of interest, we did not get any qualified people interested.

5. Emerging Risks

Two key risks that we saw during the implementation process are limited investment opportunities and lack of stakeholder participation. While we did extensive consultations when we first started, we need to continue those consultations, including constant outreach and communications. We've also learned that we need to be targeted in our outreach, since we work with a very diverse group. We cannot do the same outreach for all the groups. For example, NGOs, governments and businesses need to be approached differently.

Going forward, we will put extra emphasis on outreach and engagement at all levels including community, national and regional levels and with government and non-government partners, with community members and with government leaders and traditional leaders. We would also expand our outreach to the media in the RMI, FSM and Palau.

For the risk of limited investment opportunities, we will make an extra effort to look at enabling conditions that allow for more investment opportunities, including training, capacity building and increased involvement of the private sector. We have also been collaborating with the Waitt Institute, who is working on a blue economy plan for the Blue Prosperity Micronesia initiative in the FSM and will be working with the Enduring Earth team to assess investment opportunities as part of the feasibility stage of the PFP.

III. Solutions

We have five solutions that we are focusing on through this programme.

Green Fees

For the solution on Green Fees, we are in the process of assessing the feasibility of implementing this solution in FSM and the Marshall Islands. A consultant has been hired and right now, is conducting focus group discussions with NGOs and government partners to explore different options. Once the assessment is complete, tentatively in June 2025, we would move to implement its recommendations, including developing the policy needed to implement it.

Water Fund:

We did a call for the expression of interest but we did not have any qualified people to do the work. We conducted several meetings in Pohnpei to explore potential ways to move forward on this and we've had numerous discussions with colleagues on this issue. We decided that we

will do the call for expression of interest, contact people we know who might be interested and encourage them to apply for this.

Reef Brigades :

The programme will develop sustainable funding mechanisms that support local “reef brigades” to provide ongoing reef maintenance and restore coral reefs after damages. We are still looking for someone to do the assessment for potential financing mechanisms. We hope that by next month, we will have someone to do this assessment.

Pacific Island Tuna

For the Anchor Investment, we are now the assessment of the potential for expansion of Pacific Island Tuna¹ into new geographies beyond RMI to ROP and FSM and to new products is ongoing and we anticipate completion by May. Once the assessment is completed, we will move toward development of a five-year business and investment plan to implement the findings of the assessment. The business and investment plan will provide the next steps needed to secure financing for the expansion.

MC Endowment Fund:

We conducted an MC regional meeting in Guam that brought NGOs, government and donors together to discuss the work of the MC, the budget required to accomplish the work and how to move forward to find the funds to do the work. One of the strategy we are pursuing is the Project Finance for Permanence (PFP) that will provide long term financing for MC. We are now at the viability stage of the PFP.

IV. Facilities and Conservation Trust Funds

The programme is working with the Micronesia Challenge (MC) Steering Committee, the Micronesia Conservation Trust (MCT), who is also the MC Endowment Fund (MCEF) manager, and other partners on developing their capitalisation strategy and incubating revenue generating models including the green fees. As part of the effort to develop the capitalisation strategy, we have started work on the PFP, with the goal of providing sustainable financing to the MC in the future.

The two financing mechanisms we are developing are the MC Livelihood Fund, the Blue Economy Accelerator. The MC Livelihood Fund would be the beginning financing mechanism for start-ups. Some companies that graduate from the Livelihood Fund may move to the Blue Economy Accelerator to continue to expand and grow their business.

¹ Pacific Island Tuna will ensure that Pacific Island countries have direct ownership of their tuna catch from the dock to retailers and that a portion of net income flows to community-based conservation projects. (Source: TNC)

For the Livelihood Fund, we are in the final stages of putting all the processes and procedures in place to allow us to start implementation.

For the Accelerator Fund, we have signed agreements with the development banks to establish the fund. The banks agreed that they will provide the funds for loan to reef positive businesses following their established procedures for loan. The program would provide guidance on what is reef positive business as well as the technical assistance in terms of finance and businesses to the loan applicants. The Accelerator Fund is ready to give out loans to reef positive businesses but there are applicants yet. We plan to have the applicants from the Livelihood Fund graduate to the Accelerator Fund., but we will implement this after the Livelihood Fund has been implemented. While reef-positive businesses are able to apply for the accelerator fund in the Marshall Islands and the FSM, there have not been any applicants yet. Based on our discussions with the banks, it is our view that those businesses that have gone through the Livelihood Fund have the best chance of success when they go to the Accelerator Fund.

While we have started work on the two facilities, they have not started full implementation, but we hope in 2025, they will start full implementation. A comprehensive landscape assessment has been completed for the FSM and we also assessed and met with potential businesses in Palau and RMI. The conclusions we reached based on the comprehensive landscape assessment for the FSM and our own assessment of Palau and Marshall Islands, we concluded that there are not too many options existing right now. This is one of the main reason we feel that the Livelihood Fund will produce businesses that would go on to the Accelerator Fund.

We are planning to conduct another Landscape Assessment, but this time focusing on bigger businesses for anchor investment. While we will do this, we already know that there will be even fewer options than the small and midsize businesses.

In the coming months, we will work with the banks to better raise awareness and promote the Accelerator Fund for those businesses that are ready to access the fund.

V. Enabling Environment

1. Policies at National and Sub-National Levels (Maximum 1 page)

The most important policy at the regional level is the Micronesia Challenge, a commitment by Micronesian leaders to effectively manage 50% of its marine resources by 2030. With the architecture setup to support the MC, we have been utilizing and building on the network to support our work. Because of the MC, it is possible to work in three different countries for this programme, utilizing the established partnership and structures in place, for example the MC monitoring teams.

Another policy that supports our work is the establishment of Protected Areas Networks. Each country has established PAN Offices to support MPAs in their countries. Our trainings and outreach are coordinated with the PAN networks and respond to their needs. The discussion on sustainable financing and PFPs have also been done with the PAN offices. Our work on Green Fee and PIT will contribute directly to the work on the PAN Network.

TNC Micronesia and PIT will engage with national governments of FSM, RMI and ROP to identify a suitable policy infrastructure framework to enable other blue economy sectors. Once the assessments of Green Fees, water funds, and coral restoration funds are completed, we will work with the governments in each countries to put in place policies to support their implementation.

TNC Micronesia and PIT will engage with national governments of FSM and RMI to identify a suitable policy infrastructure framework to enable to expansion of PIT.

So far, the policy in place is enough to allow the expansion of PIT. No new legislation is needed on the part of countries. We have endorsement from FSM & PNG Ministers to move toward joining PIT. The only policy needed is an internal policy framework within PIT to ensure smooth onboarding and transparent expectations of new member countries.

There has been several meetings with FSM and Papua New Guinea. The PIT board has approved the process of onboarding new countries to join PIT.

The next step is for TNC to work with RMI on an agreeable set of terms and jointly present those terms to FSM and PNG. These terms will serve as the structure by which profit distribution and commitments by members will be defined.

VI. Gender Equity and Social Inclusion (GESI)

1. Gender Roles and Risks:

A dynamic that has the potential to impact communities' relationships to the marine environment is the disenfranchisement of key groups like women and youth from participating in traditional governance systems. This lack of engagement of these groups can lead to exclusion of key voices and perspectives in important decisions regarding natural resource management, development and industry expansion. The social and cultural roles of women and men in Micronesia are diverse, which means that there must be flexibility in how we approach gender considerations in each place. Even so, generally, nearshore fisheries are dominated by women and offshore fisheries are dominated by men.

This has proven true especially in the FSM and the RMI, where the coral monitoring teams that we have subcontracted have not yet had any women engaged in this field work. In

Palau, there is greater gender diversity in the coral monitoring teams, which we hope to provide inspiration for increasing women's participation in field work in the other two countries.

Women in Palau have always held positions of power and influence due to Palau's traditional matriarchal society. As such, women face fewer barriers to education and job opportunities than they do in other countries in Micronesia. In contemporary society, Palauan women enjoy higher levels of education and better health than Palauan men. In public service, women dominate the judiciary and are well represented on public sector boards and commissions. These enabling conditions that help counteract some of the challenges of persistent gender inequity, are less prevalent in the other countries where this program operates.

This is not to say that gender inequality does not exist in Palau. There is still a significant pay gap between men and women who have similar education qualifications. In Palau, women earn less than men in all occupation groups except clerical support workers, technicians and associate professionals. The average regular pay gap is 18% for women in professional jobs compared to men. In RMI, women's average wages were measured at US\$7,595 annually, compared with US\$10,772 for men in the same jobs. Therefore, in RMI, the wage gap translates to 29.5%.

Another well-documented risk is women's potential to suffer domestic violence across the Micronesia region. UN Women estimates that 60-80% of women and girls in the Pacific Islands will experience physical and/or sexual violence in their lifetimes, although the rates vary across states, territories, and cultures. As such, we will continue to work with women within their traditional spheres of influence, as well as provide opportunities for women to engage in non-traditional spaces. However, we will not force these shifts as they may have direct negative impacts. Because women traditionally play different roles in natural resource management than men, they bring different perspectives, interests and capacity to supporting sustainable practices. Specifically, women are likely to be more familiar with nearshore coral reefs and can offer great insight in documenting change over time.

2. Programme Actions and Outcomes:

TNC works to prioritize inclusivity in all our work in Micronesia. However, in hindsight, we did not take specific measures to ensure that women participated in the coral monitoring activities. The team makeup was primarily determined by established local NGOs and those who already possessed the skills to conduct these activities. In Palau, there are more women involved in monitoring, but we need to encourage more female involvement in the FSM and RMI. The Palau International Coral Reef Center (PICRC) is the largest coral research facility in Micronesia. By virtue of its size and the higher number of women already working as researchers for this organization, we are pleased with the engagement of women in Palau. The smaller NGOs in the other countries tend to more closely follow the traditional roles for men and women in their respective countries. The field work, diving and other activities typically associated with coral monitoring are not traditionally within the women's spaces. When we are working directly with

community members, we intentionally invite gender-diverse participation and encouraging all groups to participate in post-workshop activities.

The Local Early Action Planning (LEAP) workshop in April has a strong gender focus. The LEAP is a tool that was developed through extensive collaborative efforts of PIMPAC regional partners working in Micronesia, including TNC, to meet the capacity level of practitioners in Micronesia in facilitating traditional communities through a highly participatory planning process for communities to establish goals and action plans in responding to their lived experience of climate change. The workshop will be run by female staff at TNC and will support men and women who are planning for their communities' futures. The greater participation of women in Local Early Action Planning (LEAPs) may be influenced by traditional division of labor, which typically expects men to work more extensively in the marine areas, while women are more well-trained in land-based activities. However, it will also be important for our messaging to emphasize the value of coral reefs at all radiuses surrounding the island and highlight the overlap of women's nearshore marine work with vital coral reefs.

In the upcoming Reef Brigades training in Chuuk, we will prioritize women's participation and therefore, create a more gender-inclusive, well-trained team who can be called upon to respond to coral damage or bleaching events. This will also offer more individuals who can help with monitoring.

3. Lessons Learned & Future Direction:

Some women may feel uncomfortable joining these predominately male spaces if they are one of few women or the only woman in a given training. As such, wherever possible and appropriate, we will encourage women from within TNC to participate and lead GFCR activities, as well as encourage women from our partner organizations to do the same.

VII. Partnerships

1. Partner Contributions:

TNC Micronesia is proud of the contributions of our partners throughout this reporting period, even though we are still finalizing contracts and grants with some of our intended partners. The Palau International Coral Reef Center (PICRC), the Conservation Society of Pohnpei (CSP), the Kosrae Conservation and Safety Organization (KCSO), and the Marshall Islands Conservation Society (MICS) have all gathered monitoring data under this program and have submitted their first reports on their activities. KCSO is waiting for the right environmental season to do their activities, but they have shared their detailed monitoring plan. CSP and MICS are still compiling their data but have submitted their narrative reports outlining their processes. PICRC has submitted both their narrative report and their first round of monitoring data. All the teams will be adding this new information to existing coral survey data to support a well-rounded baseline assessment.

We experienced challenges with our partners in Yap and Chuuk but have found ways to move forward. In Yap, YapCAP was struggling to complete their paperwork. With consistent email communication and an in-person visit, we were able to work through these challenges. YapCAP's grant is completed, but their activities were delayed. In Chuuk, there are no existing NGOs that can receive this grant and conduct the monitoring. However, there are still individuals with coral expertise in Chuuk, which is why we have decided to contract Peter Houk from the University of Guam to lead the monitoring for this site. Peter has worked in the region for many years and is well connected to the local experts who will support his work.

The Micronesia Conservation Trust's (MCT's) new Executive Director is very engaged in establishing the MC2030 Livelihood Fund. We are finalizing the procedure for the Fund, and we intend to begin the calls for proposals soon.

2. Fostering Collaboration Among Partners :

The Micronesia region is an excellent example of regional partnerships and collaboration. The Micronesia Challenge member nations and their years of commitment to conservation have fostered close collaboration among our partners. To build on the momentum of our work and the excitement surrounding the Micronesia Challenge 2030 Regional Meeting in December 2024, the Micronesia Coral Reefs Programme held a launch event to bring our inter-country teams together. Through presentations, dinner, and conversation, we worked to ensure that every team knew how to access this support network.

VIII. Monitoring and Evaluation (M&E)

1. Overview of M&E Activities

During the reporting period, we were able to award the grants for coral reef monitoring to the monitoring teams in the three different countries. While some of the teams have started collecting data, others are still waiting for better weather to start the monitoring work. The data, which have been collected, will be processed, quality checked and once they are ready, will be uploaded to MERMAID.

Data on corals, fish, invertebrates will all be collected at the different priority sites to tell us how the different sites are doing.

Priority sites in Palau and Pohnpei experienced bleaching event during the reporting period. Initial assessment in Palau showed little impact on live coral cover. The data collected from Pohnpei have not been processed yet.

In Palau and Marshall Islands, coral reef monitoring is completed, and the data will be ready by April 2025. In Yap, Pohnpei, Kosrae and Chuuk, the monitoring data will be ready in June 2025.

2. Entities Responsible for M&E

Several partners in the region are involved in the M&E work. University of Guam (UOG) Marine Laboratory and TNC will oversee the M&E process. UOG will also be responsible for providing training if needed by the field monitoring teams. They will also support data analysis.

IX. Programme Management

1. Decisions and Resolutions by Governance Body:

We had one in-person steering committee meeting during the reporting period. The main outcome of the meeting was endorsement of the work plan and recommendations to increase communication and outreach. Members of the steering committee include government representatives from the three countries, NGO partners from Palau, the four states of the FSM and Marshall Islands, Micronesia Conservation Trust and the development banks. For the rest of the year, it was one-on-one discussions with relevant partners or groups. For example, we had different discussions with MCT on the Livelihood Fund, with the banks on the Accelerator Fund, with the monitoring teams on the M&E. For next year, we plan to host more steering committee meetings, but they will be held online since we did not budget for in-person meetings. We have decided also that we will engage the banks differently, mainly individual meetings.

2. Work Plan & Budgetary Adjustments:

We did not make changes to the implementation plan but many of the activities were delayed for many different reasons. The main reason for delays is the capacity of partners and consultants. For some activities, it took too long to get the necessary information from the partners or for them to do some of the work. For other activities, we just could not find consultants to do the work necessary. The delays in activities have delayed the outputs, so while much of the work has started, we still do not have the results yet.

3. Operational Adjustments:

We added our Director of Conservation and our Director of Finance and Operations to the PMU. With the need to be more focused on the business and the financial aspect of the work next year, we feel the addition of the Director of Finance and Operations will help us in that regard.

4. Operational Challenges & Mitigation:

Challenges include not finding the right person to fulfil the contracts. In addition, the speed at which we were able to get the grants agreements completed due to due diligence requirements such as audit reports or questionnaires that had to be completed that some partners find difficult to fulfil. We had to go through our due diligence process and some grantees took a while to provide the information. The delay was both from our side and from the grantees side.

5. Replenishment

Since we still have lot of work to do, maybe replenishment will not need to happen at the end of 2025 or early 2026. Once we have launched the MC2030 Livelihoods Fund, we will quickly assess effectiveness and prepare for the next round of grants.

X. 2025 Objectives

1. 2025 Objectives

Conduct feasibility assessment for the water fund. We aim to have the work started by June.

Launch the Livelihood Fund by May

Launch the Accelerator Fund by June with major awareness and outreach efforts to encourage reef positive businesses to apply to the Fund. We hope that the awareness and outreach efforts will results in reef positive businesses applying for the fund while we wait for business to graduate from the Livelihood Fund.

Conduct Landscape Assessment for large scale investment opportunities by April

Identify funding sources for coral restoration by May. This is part of Activity 3.1.1 in the workplan.

Continue all the ongoing work and bring them to successful conclusions.

XI. Communication, Visibility and Knowledge Management

1. Strategic Role of communications:

TNC's Micronesia Coral Reefs Program contracted a communications consultant to develop our communications strategy for this program. Though they are still developing this plan, we feel that it will better help us reach our target audiences effectively.

2. Alignment with programme goals:

Within the communications strategy, our consultant will be tailoring the messaging to each audience. One specific programme goal that she will help us achieve is raising awareness about the value of coral reefs and the threats that they experience. Through the outreach activities that she designs, we will be connecting with broader community audiences. We have good relationships with partners and communicate frequently with those who operate in the conservation space, but we need support when it comes to communicating through public forums (radio, newspapers, social media, etc.) that will reach larger audiences. This will be essential for the MC2030 Livelihoods Fund.

3. Effectiveness and Future Planning:

While our consultant is still exploring the different options, our most effective method will likely be the brochure/newsletter that she developed. By incorporating aesthetic elements, she has made the messaging into something that is informative and can be delivered over email, but also through social media.

4. Knowledge Sharing:

The communications consultant is in the process of developing these tools, but no drafts have been shared with the TNC team yet.



1. Annex A – Results Framework

GUIDANCE

Submit the programme's results framework as a separate Excel document, following the GFCR results framework format. Ensure it includes baselines and targets for all GFCR indicators and sub-indicators. For any clarifications, please contact **Gabriel Grimsditch** at UNEP



2. Annex B – Programme Milestones by Activities

Format: Programme Milestones by Activities Table

Outcome 1 – Increased protection of priority coral reef sites including climate ‘refugia’			
Output 1.1 – Climate change refugia are identified and integrated into the PANs across FSM, RMI and ROP			
Activity 1.1.1 – Develop a detailed monitoring and evaluation (M&E) plan for the MC			
Completed M&E Plan	[Mar, 2024]	Completed	The M&E monitoring plan was completed based on the work of the MC Measures Working Group.
Activity 1.1.2 – Identify and sign partnership agreements with technical partners to conduct baseline assessments, conduct measurements of the MC Indicators and identify climate refugia			
Partners identified and agreements signed	[Mar, 2024]	90% completed	All partners have been identified. All agreements have been signed except for Yap and UOG. While we have agreements on the work that will be done and the schedule, it has taken time to work with Yap. We might consider not doing an agreement with YapCap and just support the monitoring work directly. For UOG, their work focuses on supporting the monitoring teams and doing the analysis once all the data are collected to identify refugia sites.
Data collection completed, Climate refugia identified	June 2025		Once the field monitoring is completed and the data processed, the analysis will be conducted to identify refugia sites.
Output 1.2 – PANs are effectively managed across FSM, RMI and ROP			
Activity 1.2.1 – Conduct capacity-building and awareness-building activities for local communities to support monitoring and enforcement activities of PANs			
Trainings and workshop completed	Original: Dec 2024	Work ongoing	9 communities engaged



	Revised: [Dec, 2025]		
Output 1.3 – Financing models are developed and/or scaled for PANs and other management interventions.			
Activity 1.3.1 – Develop an MPA Green Fee strategy to implement across the region			
Assessment completed and strategy developed	Original: June '24 Revised: Dec, 2025	ongoing	Assessment is currently being conducted and will be completed in June, 2025.
Activity 1.3.2 – Develop a resource mobilisation strategy to achieve the MC Endowment Fund (MCEF) capitalisation target			
Capitalisation strategy of MCEF completed	Jun, 2024	completed	We have selected the strategy of developing the proposal for Project Finance for Permanence (PFP) on behalf of the MC which will provide sustainable financing for the MC.
Activity 1.3.3 – Conduct a feasibility study for a “water funds” pilot in Pohnpei, Micronesia			
Assessment of water fund completed	Original: June '24 Revised: Dec, 2025	Still looking for someone to do the assessment	We put out an expression of interest and we did not get any submittal We have discussed different options, but we have not been able to find someone to do the work. We will continue to discuss different options on how to move forward with this work.
Outcome 2 – Transformed and improved livelihoods of coral reef-dependent communities following community vision and priorities.			
Output 2.1 – An MC2030 Livelihood Fund is created to channel resources to reef-positive initiatives at the start-up or early stage of development.			
Activity 2.1.1 – Formalise co-implementation agreement with MCT for the Fund, with clear governance and operational procedures defined			



Draft Manual for governing the fund completed	Jan 2025	completed	Draft manual is complete and now being reviewed by MCT
Consultations with MCT on the documents	Original: June 2024, Revise: April 2025	ongoing	
Fund is launched	Original: April 2025 Revise: May 2025		
Activity 2.1.2 – In each country, conduct a Landscape Assessment to determine a pipeline of small and medium reef-positive enterprises or new business ideas			
Landscape assessment completed	Dec, 2024	Completed	Detailed landscape assessment for FSM completed. For FSM and RMI, not as detailed but covered key sectors.
Activity 2.1.3 – Launch the Fund with a call for proposals for reef-positive businesses in the sectors identified through the landscape assessment.			
TA workshop completed, funds for first cohorts distributed	Original: April 2025 Revise: May 2025	80% completed	The final review of the operating guidelines should be completed soon and we will be ready to launch the fund.
Output 2.2 – A Blue Economy Accelerator is created to support reef-positive MSMEs.			
Activity 2.2.1 – Identify and sign partnership agreements with partners of the accelerator in each country			
Agreements signed	Original: Aug 2024 Revised: Jun 2025	2 out of 3 agreements signed	Still need to sign agreement with Palau



Activity 2.2.2 – Launch the Accelerator with a call for proposals for reef-positive MSMEs in the sectors identified through the landscape assessment.			
TA workshop completed	Original: April 2025 Revised: Jun, 2025	Not started	We will launch after major communications and outreach about the fund
Output 2.3 – Sustainable financing of coral reef management with revenues generated from sustainable fisheries and supply chain business models			
Activity 2.3.1 –Conduct a feasibility study to support the expansion of PIT to new products and geographies.			
Feasibility study completed	Original: April 2024 Revised May 2025	On-going	Contract for the work have been signed and work have started
Activity 2.3.2 – Develop a 5-year business plan and investment model for PIT			
Business plan completed	Original: Aug 2024 Revised: Oct 2025	On-going	Contract for the work has been signed, work has started
Activity 2.3.3 – Develop a policy engagement strategy to support the expansion of PIT in FSM and ROP , in collaboration with the governments			
Engagements completed	Original: Feb 2025 Revised: Dec 2025	ongoing	Engagement have started with two countries outside of RMI. Anticipate continued engagement until after the final plan business and investment plan is complete.



Output 2.4 – Larger-scale investment opportunities in priority sectors are assessed			
Activity 2.4.1 – In each country, conduct a Landscape Assessment to determine a pipeline of larger-scale investment opportunities			
Landscape assessment completed	Original: Oct, 2024 Revised: Dec, 2025	Not yet started	Looking for consultant to do the assessment
Activity 2.4.2 – In each country, a policy engagement strategy to develop supporting regulatory frameworks for blue economy businesses			
Engagement completed	Original: Mar 2025 Revised: Dec 2025	Not started yet	Engagement will start after the assessment is completed
Outcome 3 – Continuous restoration of coral reefs, including recovery after major shocks, thus maintaining ecosystem and community resilience			
Output 3.1 – Restoration mechanisms for coral reef ecosystems are identified.			
Activity 3.1.1 – Assess the feasibility of the current legal framework and identify funding sources to restore coral reefs and support reef recovery after physical damages			
Assessment completed	Original: April 2024 Revised: Dec 2025	Not started	Looking for someone to do the assessment
Activity 3.1.2 – Assess the feasibility of local “Reef Brigades” to restore coral reefs and support reef recovery after physical damages.			
Reef brigades established and operating	Original: Oct 2024	ongoing	Work on coral restoration and trainings are on-going. Still need to find sustainable financing



	Revised: Dec 2025		
Activity 3.1.3 – Design a financing strategy to maintain the reef brigades			
Financing mechanism developed	Original: April 2025 Revised: Dec 2025	Not started	This will done if assessment find potential funding sources
Output 3.2 – Technology to grow and restore corals are tested			
Activity 3.2.1 – Assessing the feasibility of scaling technology to grow and restore corals in Micronesia			
Feasibility completed	Original: June 2024 Revised: Dec, 2025	On-going	We are currently working of several different methods for coral restoration. While no one method and technique will be appropriate for all reef sites and habitats, we will determine best methods for use at different locations and allow for scaling.
Output 3.3 – Site-based action plans are developed to enhance local communities’ resilience to climate change and other disruptions.			
Activity 3.3.1 – Conduct capacity and awareness-building activities for local communities on climate adaptation			
Engagements and awareness building completed	Original: Dec 2024 Revised: Dec 2025	On-going	These are ongoing activities and will continue for the rest of the project.
Output 3.4 – Local capacity built to test and integrate heat-tolerant corals in restoration projects.			
Activity 3.4.1 – Plan for the integration of heat-resistant corals identified in Output 1.1 into restoration projects in Micronesia			
Heat tolerant coral used in restoration	Original: Oct 2024 Revised: Dec 2025	On-going	Started in Palau, will start soon in RMI and FSM



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3. Annex D – Risk Log

Event / Risk	Cause	Impact/s	Risk Category	Risk Level	Mitigation / Management Measures	Remarks
Coral bleaching in Palau and Pohnpei	Increased sea surface temperature.	In Palau, the impact was minimal. In Pohnpei, the data are currently being analysed	Operational	High	We will continue to monitor reefs for future events. The work that we are doing in terms of identifying refugia and protecting them, reducing threats and restoration with heat tolerant corals will help address this threat	This is an existing risk that we always have to deal with.
Limited investment opportunities	Small size of the countries and economic activities	All sites	Operational	High	Due to the small size of the region's economy and geography, there may be limited growth opportunities. The programme will address this by focusing one of its key outcomes on facilitating an enabling environment for reef-positive businesses to conceptualise and scale. These activities provide local enterprises with technical training that develops investable opportunities.	
Limited local capacity and skills relating to business management	Small population size	Few potential businesses for Accelerator Fund and Anchor Investments	Operational	Moderate	Technical assistance will be provided throughout this programme's implementation, for all applicants, especially local community members, to either the MC2030 Livelihoods Fund or the Blue Economy Accelerator. The business	



					and financial skills that are to be taught through the programme's interventions not only support the sustainability of reef-positive businesses, but those working locally.	
Major natural disasters in projects areas	Increase in intensity of natural disturbances	All sites	Operational	High	There will be a reduction in the vulnerability to natural disasters felt by the project's area. This is due to the strengthening of the livelihoods of reef-dependent communities through the support of reef-positive businesses and their overall restoration and protection of coral reefs and the associated ecosystems.	

4. Annex F – GESI Action Report

Format: GESI Action Report

Linked Programme Outcome	Objective	Action	Indicator	Milestone – 2024	Remarks
Outcome 1: Increased protection of priority coral reef sites including climate 'refugia'.	Build capacity and ensure women's participation in roles of decision-making in the management of MPAs.	Build capacity and ensure women's participation in MPA management through increased communications with women's organisations.	No. of women and men ratio within SMEs		At this stage of the program, we do not have any SMEs established. The gender of applicants will be closely observed when the proposals for the Livelihood Fund begin coming in.
		Stakeholder meetings, events and knowledge products ensure equal participation and reach of women, and specifically addressing women-led reef positive business opportunities.	No. of women and men in attendance at stakeholder meetings, events and knowledge products. (a target of at least 50% female participation).	14 women and 14 men at the GFCR Launch Event	At the GFCR Launch Event, held in conjunction with the Micronesia Challenge Regional Meeting, we had gender parity of participants and facilitators.



	Determine appropriate funding and assistance strategies to ensure sustainable financing mechanisms developed as part of the programme will support provide equal opportunities for men and women and have no unintended negative consequences on women.	Include a gender chapter in all feasibility studies for financial mechanisms developed by the programmes.	No. of consultations with local communities, and women's groups. No. of gender chapters/feasibility studies		None of the feasibility studies have been completed. Consultants have been told to include a gender lens. Additionally, of the consultants that have been hired, we have a female communications consultant and a team of one male and one female consultant who are conducting the Green Fee Feasibility Assessment.
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Outcome 2: Transformed and improved livelihoods of coral reef-dependent communities following community vision and priorities	Strengthen understanding of the differentiated social and cultural factors impacting women's and men's participation in coral-reef dependent communities.	Hold workshops and consultations aimed at building capacity and sharing knowledge on the importance of women's inclusion in the blue economy. Develop gender-responsive approaches to address identified issues pertaining to social and cultural factors.	No. of men and women participating in consultations and workshops. Report of changes in beliefs/behaviours surrounding gender equality and masculinity/femininity.	At the upcoming LEAP workshop in April, the vast majority of participants will be women. Local women's groups in each of the locations were involved in selecting champions who will attend the workshop and who will be tasked to bring the information/planning process back to their communities.	Currently, there have not been enough engagements to expect to have made an impact on people's expectations of gender roles.
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	Determine appropriate funding and assistance strategies to ensure reef-positive businesses and project support are available to existing initiatives for women-led businesses. Create income opportunities in blue carbon projects for women.	Support female-led reef-positive businesses through the MC2030 Livelihood Fund, by running a specific Call for Proposals for women-led initiatives. Provide equal opportunities for men and women through accessible funding and assistance. Provide technical assistance and build capacity for women to understand, implement, and report on environmental standards	No. of women involved in blue carbon projects, with the majority reporting that they have improved the protection of priority coral reef sites		Due to delays with completing the paperwork and operations procedures with our partner, MCT, the blue carbon projects have not yet started. Women's business proposals will be encouraged and reviewed equitably.
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	Determine appropriate strategies and opportunities for women and men in MSMEs to transform and improve the livelihoods of coral reef-dependent communities. Taking into account their respective community vision and priorities.	Collect data on gender-specific roles in the priority sectors (fisheries, aquaculture, waste management, ecotourism and bioprospecting) in the priority locations to inform funding strategies to support strategies and opportunities. Collect data on gender-differentiating livelihoods of coral reef-dependent communities. This is to be completed through gender-sensitive communication channels with respect to Micronesia's local cultural norms	No. of men and women engaged in different activities along the fish value chain/utilisation of marine or coastal resources, as well as income earned from these activities or their contribution to household food security (disaggregated by gender, age, ethnicity, etc.).	9 women participating in the coral monitoring activities in Palau	Palau is more progressive with gender roles than the other countries, but through this collaborative project, we hope to encourage greater participation of women in monitoring activities across the region.
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Outcome 3: Continuous restoration of coral reefs, including recovery after major shocks, thus maintaining ecosystem and community resilience.	Build capacity and ensure women's participation in coral reef restoration through increased communications with MSMEs	Facilitate participatory capacity-building sessions, workshops, and training to encourage knowledge sharing and ensure women's and men's priorities, needs and ideas are respected and recognised in MPA plan development/expansion and implementation.	No. of women participating in coral reef restoration reporting that it is due to increased communications through this programme	9 women participating in the coral monitoring activities in Palau	Palau is more progressive with gender roles than the other countries, but through this collaborative project, we hope to encourage greater participation of women in monitoring activities across the region.
	Ensure women have opportunities and are equally represented in the Reef Brigades and community engagement activities.	Work with local women organisations/SMEs to ensure women are equally represented in Reef Brigade work	No. of women as part of Reef Brigades. No. of women involved in community engagement activities		The Reef Brigades workshop training is scheduled for June. Gender will be a key consideration in determining the participant list, but this has not happened yet.



	Community-based vulnerability assessments, climate adaptation, and disaster risk reduction plans take into account the specific roles, responsibilities, and needs of women	Ensure women's roles, responsibilities, and needs are accounted for in vulnerability assessments and risk reduction plans	No. sections on gender-specific roles, responsibilities, and needs within assessments and plans. No. of women engaged to develop assessments and plans. No. sections on gender-specific roles, responsibilities, and needs within assessments and plan		These plans have not yet been developed. However, by prioritizing women's participation in the upcoming LEAP training in April, we are confident that they will lead a more gender sensitive, equitable planning process.
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Annex G – Safeguards

Provide an update on any safeguard risks encountered by the programme. Also report on previous safeguard concerns and how they have been addressed. These may be specific to solutions or for the programme as a whole. Safeguards cover social and environmental risks. The Social and Environmental Checklist has been provided as a guide to complete this Annex. For responses with a “Yes” expand on the mitigation measure.

1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of vulnerable/marginalized groups?	No
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ²	No
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7. Have local communities or individuals (including local opinion leaders), given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and/or individuals?	No
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No

² Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to “women and men” or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.



3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	Yes
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	Yes
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No



Standard 2: Climate Change Mitigation and Adaptation	
2.1 Will the proposed Project result in significant ³ greenhouse gas emissions or may exacerbate climate change?	No
2.2 Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	Yes
2.3 Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions	
3.1 Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2 Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3 Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4 Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5 Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6 Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7 Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8 Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9 Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage	
4.1 Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No

³ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]



4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ⁴	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	Yes
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? <i>If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i>	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No

⁴ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.



Standard 7: Pollution Prevention and Resource Efficiency	
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?