

## GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS\* THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4856		
Country/Region:	Global		
Project Title:	Oceans Finance Facility to Finance Ef	ffective Management and Transit	ional Reform of Oceanic
	Fisheries. N.B. Retitled at PPG stage t	o: Ocean Partnerships for Sustai	nable Fisheries and Biodiversity
	Conservation - Models for Innovation	and Reform (P128437)	
GEF Agency:	World Bank	GEF Agency Project ID:	128437 (World Bank)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF	Objective (s):	IW-4; IW-4; BD-1; BD-2; BD-2; Project Mana;	
Anticipated Financing PPG:	\$350,000	Project Grant:	\$9,174,311
Co-financing:	\$40,000,000	Total Project Cost:	\$49,524,311
PIF Approval:	April 06, 2012	Council Approval/Expected:	June 07, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Nicole Glineur	Agency Contact Person:	Tim Bostock

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	<ul><li>1. Is the participating country eligible?</li><li>2. Has the operational focal point endorsed the project?</li></ul>	Global project - N/A Global project - N/A	
Agency's Comparative	3. Is the Agency's comparative advantage for this project clearly described and supported?	yes	
Advantage	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?		
	5. Does the project fit into the Agency's program and staff capacity	yes	

<sup>\*</sup>Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

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Work Program Inclusion (WPI) applies to FSPs only . Submission of FSP PIFs will simultaneously be considered for WPI. FSP/MSP review template: updated 11-22-2010

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	in the country?		
	<ul><li>6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):</li><li>• the STAR allocation?</li></ul>		
	<ul> <li>the focal area allocation?</li> <li>the LDCF under the principle of equitable access</li> </ul>	Yes: IW & BD	
Resource Availability	<ul> <li>the SCCF (Adaptation or Technology Transfer)?</li> <li>Nagoya Protocol Investment Fund</li> </ul>		
	• focal area set-aside?	Yes. BD resources stem from the BD set-aside	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	Overall yes. However, please:  1. include BD under GEF FA in Part I  2. The expected outputs should be reframed in line with the project objective in the project framework.  3. Deep sea fisheries is the focus of one (FAO/UNEP) of the 4 projects of the ABNJ program. Is this project going to complement some of their activities? If yes, please coordinate directly with the IAs for this project to avoid duplication.	
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	4. BD Output 1 and 2 should focus on the fisheries production sector  Overall, yes. However, please dissociate the objective of this project with other objectives of GPO, such as overall oceans governance, which are not the focus of the current ABNJ program.  IW: please remove strategies for	

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		aquaculture, oceans governance etc. which are not part of this project. Please rephrase in the overall text references to the following: "As noted above, IW-4 recognizes fisheries as a particular threat to ocean ecosystems", fisheries should be replaced by unsustainable fishing practices. Under the Sustainable Fisheries para, please delete second sentence which goes beyond the scope of this project.  BD: Is this project going to address impacts of bottom-fishing beyond the scope of the ABNJ deep sea project? Is theproposed project going to complement some of their activities? If yes, please coordinate directly with the IAs for this project to avoid duplication.	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	Yes.  Please move the GEF IW-4 para to relevant section or delete it	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?		
	11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	The introduction to the Risks section clearly articulates the following which is part of the baseline: "Given the focus on delivering short-term (within three years) demonstrable benefits from the project, an investment strategy that focuses on risk identification and mitigation is clearly desirable. For this	

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Project Design		reason, the project will focus effort on pilot activities that are demonstrably building upon already existing local/regional political and organizational commitment and activity (in some cases, adding value to existing processes GEF INCREMENT), existing investment opportunities, strong public support, biodiversity "quick wins" GEF INCREMENT and so forth."	
		Please develop the baseline and include: 1. IBRD/IDA/IFC relevant fisheries sector studies (economic sector work including subsidies and governance aspects) and investments: past results and failures and expected future results 2. IBRD/IDA/IFC coastal/marine BD Conservation/PAs projects or components including methods used to promote healthy ecosystems; protect spawning areas and migration corridors; seasonal and temporary closures; NTZ 3. past and expected results of PROFISH and ALLFISH 4. a brief description of relevant GOP activities 5. CI relevant activities	
		6. Other organisations relevant activities such as cost benefit analyses, etc  4/4/12. Please reorganize baseline as suggested above and provide specific	
		examples of results in investments in fisheries and conservation.	

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	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	As reflected in the PFD, the GEF ABNJ program focuses on sustainable fisheries and and conservation of globally significant biodiversity in the oceans.	
		Please provide specific explanation as to how GEF funds will be used over and above the baseline programs to make a transformational impact and as to what would happen without GEF funding.  Based on the existing baseline, please develop the rationale for the GEF project and demonstrate its incrementality.	
		Please develop the story line and integrate the instrumental participation of the private sector to achieve transformational impact:  1. The project is addressing a shortfall in effective fisheries management with detrimental effect on biodiversity (both	
		ecosystems and species) affecting the long term potential of a sustainable fisheries resources. For example, the adoption of innovative RBFs' management approaches, factoring in markets (including industry) will be tested with stakeholders including governments and private sector 2. The project seeks to spatially link and	

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		integrate sound fishing and BD conservation activities in coastal, EEZ, and ABNJ. Please make this business case explicit. Please build on the links provided at the bottom of p.14. and describe specific linkages and proposed activities. Whereas the focus of this project is not on small-scale fisheries (handled through other GEF and non-GEF projects and instruments), it is important to factor in the overall spatial organisation -on a case by case basis - the access and rights to the resources of small-scale fisheries which do not have access to the high seas  3. In the light of the globalism of this ABNJ project; and the the convening power of the WBG to gather and involve in key fora and events, the key governments and private sector actors involved in global fisheries, pilot projects should include the BRICS; key countries (e.g. Argentina, Chile, Indonesia, Korea, Mexico, Morocco, Peru, Philippines); OECD countries; and promote S-S and N-S collaboration.  4. Private sector is virtually absent in the equation. Work with fisheries vessels and associated wholesalers, fish markets, and processors will be essential. The participation of the private sector, coupled with relevant government stakeholders and organizations, will be instrumental to reach the project's objective. Explain why and how.	

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		The components should then be designed and developed accordingly.	
		"Preparation Activities":  1. "Developing a profile of the ocean to confirm priority areas according to need, opportunity and potential investment niches". Given the plethora of existing priority seascapes profiles, including those of CI, please indicate which ones will be used as baselines to tailor to this project.	
		"Component 1: The development of large scale Pilot project activities in priority seascapes" includes 3 major activities. What is the results of these activities? Will it lead, for each large scale pilot project, to a management plan to implement the schemes and mix of approaches, techniques and tools developed under these activities to enhance effectiveness of fisheries and BD management in the pilot areas?	
		"1.1 Preparatory analysis including identifying reform pathways and supporting drill down analyses and scenario planning for up to six selected Pilot project activities." Are they not some existing baseline analyses from the WBG and/or other parties?	
		"1.2 Business cases assembled for each selected Pilot project."  A. Please involve the private sector (fishing, canning, and processing	

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		industry) and relevant countries. B. During the development of the CB analyses, given the plethora of existing fisheries and ecosystems related CB analyses (with various focus ranging from national fisheries CB to replacement of fishing gear), including those of WBG, OECD, FAO, UNEP, Countries: e.g. Argentina, etc, please indicate which ones will be used as baselines to tailor to this project.	
		"Component 2: Pilot monitoring, evaluation, advocacy and lesson learning" should also include M&E of the Oceans Innovation Challenge fund and should figure as the last of the 3 components. As this project is one of the 4 projects under the Global Sustainable Fisheries Management and Biodiversity Conservation in the ABNJ, please indicate that the M&E component will be feeding in the overall M&E system put into place at the	
		Program's level. Please ensure that, as reflected in the PFD, "the project will have a results framework and monitoring plan based on a menu of standardized core indicators derived from the Program Result Framework. Outputs will be evaluated for the degree to which they are contributing to the expected outcomes and ultimately to the Program's goal. The GPCU will assist project teams as needed to implement M&E arrangements". Please see additional comments in 28.	

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		2.2 Communications and Advocacy. Please provide the baseline for the GPO meetings and advocacy efforts.  The GEF financing for this component seems high. It is suggested to allocate \$250,000 to this component and reallocate the rest to effective implementation of the pilots.  "Component 3: Oceans Innovation Challenge fund". Please demonstrate that this component is not meant to fund business as usual. Please take into account comments made in the PFD: Output 3.3. 15 grants seem enormous as the project's intention is to make a transformational impact. Suggest to limit the grants to a maximum of 5 with the private sector as a priority focus. The aim is to attract proposals/schemes of which the implementation will make a transformational impact. The grants	Endotsement(PSP)/Approvar (MSP)
		should focus on fisheries and BD management issues versus the wider GPO goal of oceans governance. The last sentence of component 3 is repetitive with 2.3. Please adjust project framework accordingly.	
		Section B5 should focus on stakeholders bringing co-financing in cash and/or kind to implement the overall project. Please refer to example in B5 in the Tuna PIF.	
		4/4/12 Component 2: Oceans Innovation	

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		Challenge fund: "for example supporting private operators and initiatives in some cases to develop more sustainable models". Kind reminder that GEF funding can not be used to support private operators to mitigate their environment impacts which is their responsibility.	
	14. Is the project framework sound and sufficiently clear?	Please refer to comments in the project design section  The project framework should be strengthened and should indicate that outputs such as "WBG Economic Sector Work, including five influential policy-related documents"; "Strategy developed and promoted for broader developing country engagement in sustainable oceans and fisheries; and work on governance and subsidies as part of the WBG baseline".  Pilots should focus on priority regional seascapes to put into operation approaches and tools leading to sustainable fisheries and associated biodiversity management.  3.1 is repetitive of 2.3.  4/4/12. Please clearly indicate in the framework that in componet 3 outputs such as "WBG Economic Sector Work, including five influential policy-related documents"; and "Strategy developed and promoted for broader developing	Please ensure at FSP stage that Pilots should focus on priority regional seascapes to put into operation approaches and tools leading to sustainable fisheries and associated biodiversity management.

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		oceans and fisheries" are part of the WBG baseline.	
		Please rename component 2 to reflect that both pilots and challenge grants will be monitored and evaluated	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	Refer to comments in section 13	
	16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits?	Yes for the socio-economic benefits, including gender dimensions, to be delivered by the project. How the delivery of such benefits to support the achievement of incremental/ additional benefits, once identified (see section 13) should be succinctly addressed.	
	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	Yes	
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	The risks are well identified and some of the aspects that they reflect should be factored into the project.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Section B6 should be rewritten to reflect the coordination set-up in the ABNJ PFD as well as coordination with the wider GPO mandate. Please see comments in Sections 13 and 28 for the M&E aspects.	
	20. Is the project implementation/ execution arrangement adequate?	The structure will be developed during project preparation. Please include the GEFSEC along with the World Bank in	

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		the project's steering committee.	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
	23. Is funding level for project management cost appropriate?	Yes. GEF funding of Project management cost is 4.9 % of GEF funding	
Project Financing		[AH 3/22/12] The Project management cost (calculated from the subtotal of the project) is 5.15%. Please reduce to 5% or below.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	[AH 3/22/12]	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if	The co-financing is unclear and contradictory.	
	confirmed co-financing is provided.	Table C reflects \$30M of soft loans from World Bank and \$10M in kind from CI.	
		Section C1 reflects: "Through implementation of the Oceans Financing Facility of the Global Partnership for Oceans, the World Bank will provide	
		US\$30 million in co-financing to the project. Conservation International will provide US\$10 million in co-financing to the project through grants to civil	

		society organizations, long-term financing for marine protected areas, and loans to small and medium	
		enterprises, through the Oceans Financing Facility and parallel mechanisms"	
		What are the sources of World Bank co-financing and what will the World Bank co-financing be used for? Is the \$30M co-financing from soft loans as indicated in Table C? If yes, would that mean that only IDA countries would be eligible? P.15 refers to "initial financing from the new GPO".	
		What are the sources of CI co-financing and what will the CI co-financing be used for? Is CI providing \$10M in cash or in-kind? According to section C1, it looks like it is in cash for grants and soft loans. According to table C, the \$10M are in kind. Is CI providing \$6M in cash for the Grants co-financing?	
		[AH 3/22/12] The baseline project identifies the GPO, as well as, " creating a new financing facility for the oceans (the Oceans Finance Facility)" (p.12) - which is this project. The baseline project cannot include the proposed project. Please correct.	
26.1	Is the co-financing amount that the	4/4/4. Please adjsut table C to reflect co- financing in the text (p.15 & 24-25) Yes. It is hoped that additional co- financing to scale-up activities will be	4/4/12 Please ensure during preparation

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	line with its role?	obtained in line with WBG comparative advantage as "source of leveraged funding" -highlighted in Section C.	financing to scale-up activities will be obtained in line with WBG comparative advantage as "source of leveraged funding" -highlighted in Section C, especially from the private sector.
	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		Comments at PIF stage: The proposed project has an M&E component.
Project Monitoring and Evaluation			Please add the text to both the project framework and proposal text that "At least 1% of the total IW GEF investment will be used for IW:LEARN activities, including a IW:LEARN website, participation in IW:LEARN conferences and workshops, and production of at least two Experience Notes." Further, please add reference that the project will also supply GEF International Waters and Biodiversity tracking tools submitted as required (inception, midterm, and closure).
Agency Responses	<ul><li>29. Has the Agency responded adequately to comments from:</li><li>STAP?</li></ul>		
	Convention Secretariat?		
	Council comments?		
	Other GEF Agencies?	[AH 3/22/12] Please address the comments provided by FAO	
Secretariat Recommen	ndation		
Recommendation at	30. Is PIF clearance/approval being recommended?	[AH 3/22/12] The PIF is not being recommended at this time. Please	

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PIF Stage		address the above comments and resubmit.	
		4/4/12. Please address remaining above comments and numerous typos, and include GEF project number. The PIF will be recommended upon addressing of above comments.	
		4/5/12. All the comments have been satisfactorily addressed. The PIF is recommended for clearance for the WPI.	
	31. Items to consider at CEO endorsement/approval.	[AH 3/22/12] The structure will be developed during project preparation. Please include the GEFSEC along with the World Bank in the project's steering committee.	
		Please pay special attention to the Implementation, Coordination, and M&E arrangements for this proposal noted on p. 18-20 of the ABNJ PFD.	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*  Additional review (as necessary)  Additional review (as necessary)  Additional review (as necessary)	March 22, 2012 April 04, 2012	
	Additional review (as necessary)		

<sup>\*</sup> This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.

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## REQUEST FOR PPG APPROVAL

Review Criteria	<b>Decision Points</b>	Program Manager Comments
PPG Budget	Are the proposed activities for project preparation appropriate?	Overall, kind reminder that the pilot projects need to be incremental and should not duplicate country projects but provide the connectivity proned and involvement of the private sector which operates in ABNJ. Please include relevant aspects in criteria and revise outputs in table accordingly.
		Activity 5. please explain how public funding will be harnessed to provide impacts in ABNJ.
		Re. PPG Activities 6,7,8 please take into account the comments made on the framework and PIF:  The Oceans Innovation Challenge fund is not meant to fund small or smaller projects but to produce transformational impacts in areas beyond national jurisdiction. Funding is limited ans should not be spread on a multitude of small projects. There are enough small grants programs available to meet the needs of stakeholders. Please clearly demonstrate that this component is not meant to fund business as usual. Please take into account comments made in the PFD: Output 3.3. 15 grants seem enormous as the project's intention is to make a transformational impact. Suggest to limit the grants to a maximum of 5 with the private sector as a priority focus. One or two could suffice. The aim is to attract proposals/schemes of which the implementation will make a transformational impact. The grants should focus on fisheries and BD management issues versus the wider GPO goal of oceans governance. A prize system may be envisaged to spur better fishing techniques and associated conservation schemes. Supporting private operators and initiatives might be warranted in some cases to implement more sustainable models that go beyond mitigation of the private sector environment impacts which is their responsibility.
		[8/21/12] Addressed. Pilots are noted to be incremental and careful for no duplication. Links between ABNJ and Pacific pilot are adequately identified in comments.
	2. Is itemized budget justified?	GEF amount for Activities 1, 7, 8 appears to be high compared to the work required.
		Text and Annex A. The mapping and GIS were part of the baseline. Will there be

	3.Is PPG approval being recommended?	anything additional required? Re. GEF funding. Please replace governance with management in table of Annex A and delete institutions as the GEF focus is to improve fisheries and conservation management in ABNJ. Other institution than GEF are mandated to explore governance and institutional aspects of ABNJ. These aspects can be funded through co-financing.  [8/21/12] The need for a strong design of the Fund to attract private cofinancing is understood. The price for these activities is justified to ensure that the fund will be as prepared and sustainable as possible by project implementation.  GEF notes the change in title from the original one submitted in the PIF. PPG will be recommended pending address of all errors and comments.
Secretariat Recommendation	4. Other comments	Please correct typos and the following errors: ERROR in PPG - Finance Breakdown and Finance Overview PPG / PPG Fee totals differ ERROR in PPG - PPG Activities and Finance Breakdown subtotal PPG amounts per Trust Fund differ PPG Breakdown Amount differs from PPG Activity Breakdown  [8/21/12] All financial errors have been addressed. However, to ensure clarity in the proposal, please add the following text from WB Response (please edit as necessary) to Section B - Proposed Project Preparation Activities of PPG:  For Activity 5 - Please add from WB response, "On the assumption the question relates specifically to future WB investment (Pacific Islands Region Oceans Investment Package) in the Pacific, this builds upon existing regional institutional arrangements (objective to sustainably increase the economic benefits captured by Pacific Island countries from the ecosystem services provided by the ocean). Efforts would be undertaken in accordance with principles of effective rights-based fisheries and oceans management. Activities within the program address fisheries, habitat, and pollution reduction. GEF project inputs would support the development of a rights-based pilot most likely with tuna long-liner fleet, and building upon the existing and relatively successful vessel day model developed through PNAO and covering tuna purse seine fleets. The project would also tackle the considerable challenges in harvesting the benefits of fisheries resources in this region which extend beyond national jurisdictions into ABNJs."

For Activities 7 & 8, please add from the WB Response, "To ensure the best opportunities for a small number of grants from the Challenge Fund, we believe it is essential to undertake a robust design. Again, this will increase the probability of attracting co-financing from private sector and foundations all of whom respond well to detailed operational manuals and solid governance arrangements. Thus, although this requires up front investment during the PPG phase and involves dedicated expertise, the investment will generate positive returns in the medium-term through increased co-financing.

The baseline for these activities is as follows: CI has good experience of working with partners to design and manage grant making funds. Examples include:

- Critical Ecosystems Partnership Fund (\$125m partnership of CI, GEF, World Bank, Japan, MacArthur Foundation and Agence Française de Développement),
- The Global Conservation Fund (long-term financing for protected areas through trust funds and other vehicles),
- The Conservation Stewards Program (conservation incentive agreements as part of payment for ecosystem service programs in partnership with communities which own or rely on natural resources),
- Verde Ventures (catalyzes loans and equity investments for sustainable SMEs contributing to conservation goals,
- CI's Carbon Fund (aims to reduce greenhouse gas emissions by providing incentives to stop deforestation and improve use of greenhouse gas sequestering areas).

Sustainable fisheries projects supported by these funds include Verde Ventures financing to over 300 fishing families in the Sian Ka'an World Heritage site and the Banco Chinchorro Biosphere Reserve in Mexico who seek to take advantage of geographic and seasonal lobster price fluctuations, the benefits of which have typically accrued to non-resident middlemen. Another example is a marine conservation agreement with fishermen in Cabo San Francisco, Ecuador aimed at lobster stock recovery."

For Activity 2, please add from the WB Response, "Conservation International's baseline for geographic priority setting are existing analyses that we have completed to determine where marine biodiversity is most threatened. We have used the most comprehensive database of marine species (~12,500 species) developed to date, as well as a spatially explicit model of cumulative threats to marine ecosystems (Halpern et al. 2008), to delineate where marine biodiversity

		and ecosystems are at greatest threat from human activities. Our model of cumulative threats includes 17 different drivers of ecosystem change, including the most common impacts associated with land-based sources of pollution, ocean-based pollution, fishing, and climate change (Halpern et al. 2008). We have combined these datasets to map where marine biodiversity is most threatened globally. In addition, Conservation International has worked with partners to develop an Ocean Health Index (http://www.oceanhealthindex.org) which provides scores for 10 public goals for the oceans including food provision, biodiversity, coastal economies and livelihoods. The PPG work and budget corresponds to work building on this baseline by collating and developing datasets on the metrics of economic and nutritional dependency of coastal populations as well as enabling conditions for sustainable fisheries to set geographic priorities for the project. Integration of biological and socio-economic data requires considerable efforts and considerations in order to produce useful and credible results. While we recognize this means some upfront investments during the PPG phase we believe it increases the probability of the project achieving transformational results. In addition we aim to secure co-financing beyond the budget requested from GEF for this PPG activity to ensure the priority setting is top-notch and significantly adds value to the project."
Review Date (s)	First review*	July 24, 2012
Teeview Bute (5)	Additional review (as necessary)	September 10, 2012

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