Final Monitoring & Evaluation Report

Third South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish3)

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Acronyms and Abbreviations

AWPB	Annual Work Plan and Budget
BGF	Blue Grant Fund
BIF	Blue Investment Fund
CPUE	Catch-per-unit-effort
CQBS	Consultant's Quality Based Selection
CQS	Consultant's Qualifications Selection
DBE	Department of Blue Economy
DBS	Development Bank of Seychelles
DOE	Department of Environment
E&S	Environmental and social
ESIA	Environment and Social Impact Assessment
ESMP	Environmental and Social Management Plans
ESS	Environmental and Social Specialist
GEF	Global Environment Facility
GoS	Government of Seychelles'
ICCP	Implementation Co-management Committee
IPM	Interim Project Manager
M&E	Monitoring & Evaluation
MACCE	Ministry of Agriculture, Climate Change, and Environment
MES	Monitoring, Evaluation and communication Specialist
METT	Management Effectiveness Tracking Tool
MFNPT	The Ministry of Finance, National Planning and Trade
MSP	Marine Spatial Planning
Ngo	Non-government organisations
PAD	Project Appraisal Document
PDO	Project Development Objective
PIU	Project Implementation Unit
POR	Terms of Reference
POU	Procurement Oversight Unit
PSB	Public Service Bureau
RFP	Request for Full Proposal
SBS	Seychelles Bureau of Standards
SEA	Sexual Exploitation and Abuse
SeyCCAT	Seychelles Conservation and Climate Adaptation Trust
SFA	Seychelles Fisheries Authority
SH	Sexual Harassment
SMPs	Sustainable use Management Plans
SWIOFish3	Third South West Indian Ocean Fisheries Governance and Shared Growth Project
UniSey	University of Seychelles

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Implementing partner

- Department of Blue Economy
- Department of Finance
- Department of National Planning
- Department of Environment
- Department of Fisheries
- Seychelles Fisheries Authority
- Seychelles Climate Change and Adaptation Trust
- Development Bank of Seychelles

PIU team

- Danielle Jupiter- Interim Project Manager and Environment and Social Specialist
- Meggy Tirant- Procurement Assistant

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This report stands as a testament to the collective effort and commitment of everyone involved.

Introduction

This report is the final Monitoring & Evaluation (M&E) report prepared for the Third South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish3) which closed on 28th June 2024. The project was approved by the World Bank Board on 29th September 2017 and became effective on 16th April 2018. The initial project closing date was June 2023 but received a one-year extension to ensure implementation of planned activities and achievement of project results.

Purpose of the M&E Report

The M&E report serves as a crucial tool for assessing the project's effectiveness in achieving its objectives. It provides an analysis of the challenges encountered during implementation and identifies key lessons learned. The report aims to:

1. Evaluate Project Performance: Determine the extent to which the project objectives have been met and attributing results to the project.
2. Identify Challenges: Highlight any obstacles or issues that arose during the project's implementation, providing a clear understanding of what hindered progress and achievement of objectives.
3. Extract Lessons Learned: Capture valuable insights and experiences gained throughout the project, which can inform future projects and improve practices.

By thoroughly analysing these aspects, the M&E report contributes to continuous improvement and accountability in project management.

Project Objectives

The Project Development Objective (PDO) was to "**improve management of marine areas and fisheries in targeted zones and strengthen fisheries value chains in the Seychelles**". This objective was aligned to the broader goals of the Government of Seychelles' (GoS) fisheries policy which aims to achieve economic growth, food security, and job creation as part of the strategic economic development framework for a sustainable blue economy. Recognizing the importance of preserving marine ecosystems, the GoS aims to protect the country's marine resources as a cornerstone of this sustainable blue economy. The project's design reflected this by promoting sustainable utilization practices. It sought to balance the use of marine resources with conservation efforts, ensuring that these resources remain available for both current and future generations. This holistic approach underscores the necessity of protecting marine biodiversity while fostering economic growth and stability.

To ensure achievement of the PDO, five PDO-Level Results Indicators were identified with their expected end of project target. These are:

1. Sustainable-use marine protected areas with a Management Effectiveness Tracking Tool (METT) score of 50 or higher (ha)
2. Share of key demersal indicator species stable or rebuilding in the Mahé Plateau fisheries (%)
3. Ratio between consumer price per kilogram and landed catch price per kilogram in artisanal fisheries (%)
4. Share of bycatch landed and sold in the Seychelles (%)

5. Share of citizens of the Seychelles who rate management of sustainable-use marine protected areas and selected fisheries as 'Satisfactory' or above (disaggregated by sex and age) (%)

Indicators one and two measured the improved management of marine areas and fisheries whilst indicator 3 and 4 measures the strengthening of fisheries value chains and the induced economic benefits to Seychellois.

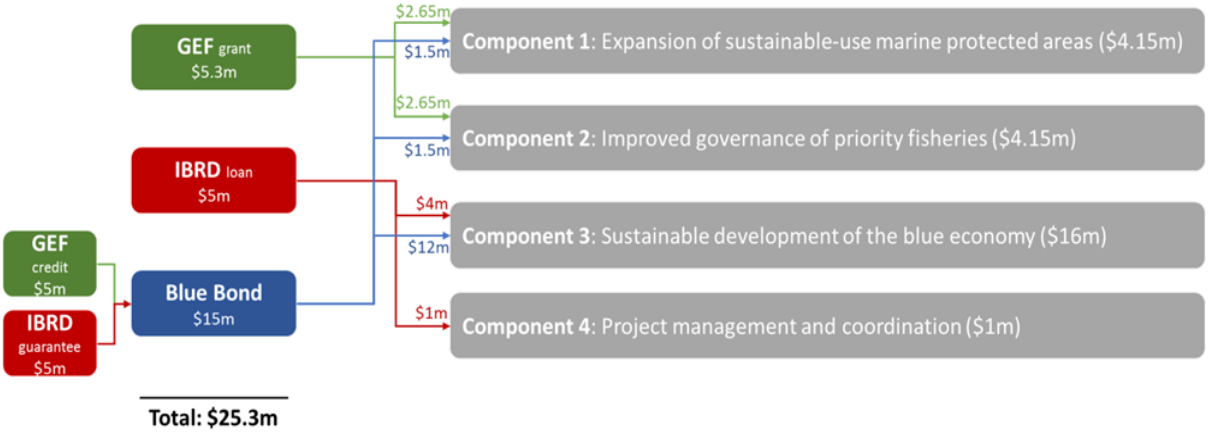
To measure progress towards achievement of the PDO several Intermediate Results Indicators (IRI) were identified. The full list of IRI identified along with their end target can be found in Annex 1: **Intermediate Results Indicator list**. To note that the IRI indicator 3.1 which aimed at measuring the share of landed catch from domestic fisheries sold via auction could not be measured as feasibility study conducted (which was financed under the project) concluded that setting up an auction house will not be feasible.

Project Description

The SWIOFish3 project was a government initiative with an innovative finance mechanism. The project was financed from (i) an IBRD loan of USD 5 million from the World Bank, (ii) a grant of USD 5.3 million from the Global Environment Facility (GEF) (iii) the issuance of a USD 15 million Blue Bond, capitalized from the capital market and (iv) and a GEF Concessional Loan of USD 5 million which was used to subsidize costs of the bond by reducing the interest rate from 6.5% to an effective rate of 2.8%[1].

The SWIOFish3 project was implemented under four main components as illustrated in Figure 1 below.

Figure 1: Flow of Funds of the SWIOFish3 Financing



Component 1 and 2 was funded under the GEF grant USD 5.3 million and USD 3 million from Blue Bond proceeds.

Component 1, which had a budget of USD 4.15 million (comprising USD 2.65 million from GEF and USD 1.5 million from Blue Bond proceeds), focused on the expansion of sustainable

[1] More information on the Projects cost and finance mechanism can be obtained from Section II of the Project Appraisal Document found on the following link https://documents.worldbank.org/en/publication/documents-reports/documentdetail/394051505478217219/seychelles-third-south-west-indian-ocean-fisheries-governance-and-shared-growth-project

use Marine Protected Areas (MPAs). This component aimed to build on the marine spatial planning exercise through a scientific and consultative process to support the Government of Seychelles in implementing its pledge to protect 30% of its Exclusive Economic Zone (EEZ). This pledge involved designating 15% of the EEZ as medium biodiversity areas and another 15% as high biodiversity areas. Medium biodiversity areas allow for some sustainably managed economic activities, including fisheries and tourism, and are referred to as 'sustainable-use marine protected areas. Under this component the project focused on funding scientific research, development of management plans, drafting of policy and investment in the management of the sustainable use MPAs. The USD 1.5 million from the Blue Bond proceeds was expected to be channelled through the Blue Grants Fund to strengthen the sustainable-use marine protected areas network.

Component 2 of the SWIOFish3 project focused on improving the governance of priority fisheries with a total budget of USD 4.15 million, including USD 2.65 million from the GEF and USD 1.5 million from Blue Bond proceeds. This component, directly related to fisheries, comprised four sub-components. Sub-component 2.1 supported the finalization and the implementation of the Mahé Plateau, the preparation and implementation of other fisheries management plans including (tuna fisheries and Sea Cucumber) and providing technical assistance to the fisherman's association in enhancing their participation in fisheries management. This was done through an exchange visit to Sete and Shetland. It should be noted that Government priority for the Praslin plan changed during implementation, which deviated from the planned interventions outlined in the PAD which was also to support the Praslin management plan (SWIOFish3 PAD, 2017). Sub-component 2.2 targeted improvement in fisheries data and information systems, beefing up the capacity of government statisticians and economists in the fisheries sector, and fund the setting up of the Fisheries Economic intelligence unit. Subcomponent 2.3 reinforced the country's capacity to manage its fisheries sector through a review and update of the fisheries regulations, drafting of the fisheries sector policy (also funded the review of the policy in 2022) and assessing the current public support to the sector. In addition, USD 1.5 million was channelled through the BGF to contribute to the management of these fisheries (subcomponent 2.4).

Component 3 of the project had a total budget of USD 16 million, including USD 4 million from the IBRD loan and USD 12 million from the Blue Bond proceeds for the sustainable development of the blue economy. Component 3 will help finance the sustainable development of the Seychelles blue economy and support increased value addition in the aquaculture, industrial, semi-industrial, and artisanal fishing and processing sectors. The IBRD funds was used under subcomponents 3.1 to 3.4 to improve the enabling environment for the development of the blue economy, generate a pipeline of investments and build capacity for the development of the Aquaculture sector. Some of the main investments made are (i) conducting a value chain and feasibility study to guide future investments, (ii) Providing capacity building to both government staff and private sector investors on aquaculture, (iii) Gender assessment of the Blue Economy, (iv) Providing laboratory equipment to Seychelles Bureau of Standards (SBS) which will be used in the testing of fish prior to exportation and also (vi) 2 ESIA and 1 ESMF for prospective BIF applicants. The final sub-component of component 3 was for the BIF scheme being managed by DBS and funded by the Blue Bond proceeds with a total value of USD 12 million.

The final component of the SWIOfish3 project, which had a total budget of USD 1 million obtained from the IBRD loan (component 4) was to support the coordination and implementation of the project, through a Project Implementation Unit (PIU). The PIU consisted of 4 full time positions which were the Project Manager, Environmental and Social Specialist (ESS), Monitoring, Evaluation and communication Specialist (MES) and the Procurement Assistant. To note that upon the resignation of the Project Manager in October 2023, the World bank and GoS approved the interim arrangement for the ESS to also assume the position of the Interim Project Manager (IPM) and for the other two staff to take on extra responsibilities previously undertaken by the Project Manager. This provision was formalized through a contract addendum.

Methodology

The methodology for this report involved a comprehensive review of key project documents, consultations with project stakeholders, PIU staff and a detailed analysis of project performance, including financial assessments.

1. **Document Review**: A thorough examination of relevant project documentation, including progress reports, M&E data and financial reports, was conducted. This review provided a foundation for understanding the project's objectives, activities, financial management, and outcomes.

2. **Stakeholder Consultations**: Consultations were held with key project partners and stakeholders, including implementing agencies and beneficiaries. These discussions offered valuable insights into the project's implementation process, financial allocations, challenges faced, and successes achieved. Feedback from stakeholders was integral to understanding the broader impact of the project, identifying challenges and identifying lessons learned.

3. **Performance and Financial Analysis**: The collected data were analysed to assess the project's performance against its planned objectives and targets. This included both quantitative and qualitative methods to evaluate the effectiveness of interventions and measure outcomes. Additionally, a financial analysis was conducted to review the project's expenditure and overall financial management. This analysis allowed for a comprehensive understanding of the project's success and areas for improvement.

Procurement Management

This section focuses on procurement of activities in the Annual Work Plan and Budget (AWPB) and progress made toward successful implementation of contract.

Procurement system

The procurement system employed by the SWIOFish3 project, was in alignment with the World Bank procurement guidelines, to ensure a fair, transparent, and efficient process for selecting consultants and procuring goods. Here's a breakdown of the four key procurement methods used:

1. Consultant's Qualifications Selection (CQS): This procurement method was used for selecting consulting firms where the firm's experience and qualifications were of paramount importance. It emphasizes the skills and qualifications of the proposed staff, making it ideal for situations where the expertise of the consulting firm is critical.
2. Consulting by Firms (CQBS - Consultant's Quality Based Selection): CQBS prioritizes the quality of the consultant's proposal. It is particularly useful for complex and specialized assignments requiring a qualitative assessment of the proposals.
3. Individual Consultants: When only one person is required to get the job done with specific expertise, the project utilised individual consultant selection.
4. Procurement of Goods: This procurement method was used for the acquisition of goods necessary for the project and its implementing partners. The procurement followed the Government procurement process, involving the Procurement Oversight Unit (POU). The PIU prepared the tender documents, which were reviewed and approved by the POU before setting the tender opening date with the Tender Board. The Procurement Assistant attended all bid openings, with bid submissions accepted either online or via a tender box set up by the Tender Board.

Decision on which procurement method used, were dependent on the type of activity being procured, the AWPB and referring to the World Bank procurement guidelines.

Level of World Bank support

The level of World Bank support in the SWIOFish3 project was comprehensive and vital for the successful execution of procurement activities. The Bank's procurement specialist provided extensive guidance including interpreting procurement guidelines, review of key documents, capacity building and training for the project team and stakeholders, dispute resolution, navigating approval processes, and continuous feedback. The World Bank's involvement helped maintain compliance, enhance the team's capabilities, and uphold the integrity and transparency of the procurement process.

Outcomes

General Analysis

During the 7-year lifespan of the SWIOFish3 project, a total of 125 activities and goods were procured across its four components. Below is a summary of the number of contracts signed by component.

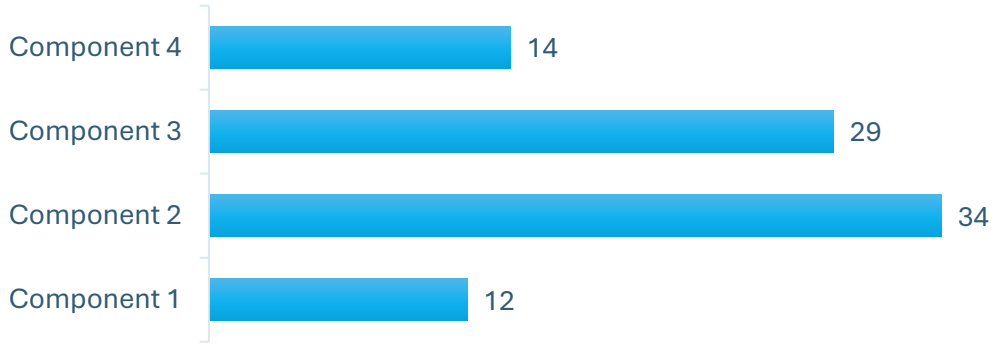
Table 1:Number of activities procured by components

Components	Number of activities	Percentage
Component 1	24	19.2%
Component 2	42	33.6%
Component 3	44	35.2%
Component 4	15	12%

Out of 125 contracts signed, 89 contracts were consultancy related, involving either the procurement of individual consultants or firms, with the remainder being the procurement of goods or trainings. As illustrated in the *majority* of contracts were signed under Component 2 of the SWIOFish3 project, followed closely by Component 3.

Figure 2 below, the majority of contracts were signed under Component 2 of the SWIOFish3 project, followed closely by Component 3.

Figure 2: Breakdown of Consultancy Related Contract Signed



The project made substantial efforts to ensure that qualified local experts were not disadvantaged against international experts. When advertising consultancy work for the project, expressions of interest were communicated both locally and on international platforms. Out of the total 89 consultancy services contracts signed, 40 were awarded to local individuals and companies, representing 45% of the total contracts. Among the contracts signed with international firms, some included local consultants as key experts on their teams.

Gender Analysis

In total, the 89 consultancy services contracts signed engaged 234 key experts. *Table 2* below provides the gender breakdown of these experts, whether contracted as individuals or through firms. Of the total experts contracted, 154 were male, representing 66% of the total.

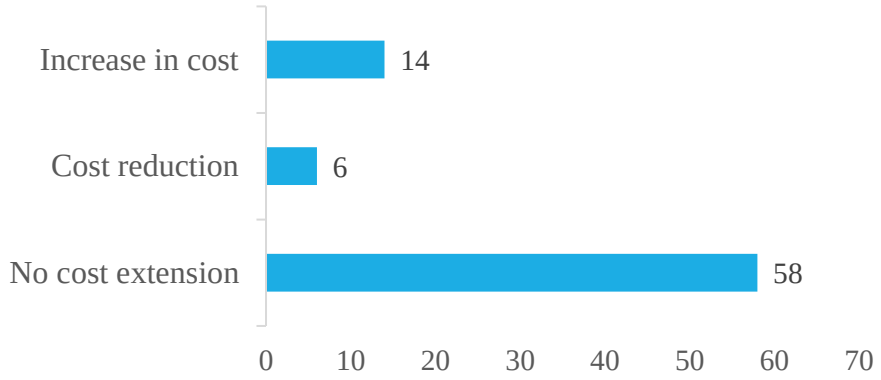
Table 2: Gender Breakdown of Experts contracted

Procurement Method	Male	Female
Individual	42	12
Firm	112	68

Contract Addendum

In some cases, contract addendum had to be prepared for ongoing activities to either facilitate a change of key experts, adjust the previously agreed payment schedule, accommodate an increase or decrease in costs, or provide additional time. Over the project's lifetime, a total of 78 contract addendum was prepared by the procurement Assistant (see Figure 3 below for details). The majority of these addendum, representing 74%, were no-cost extensions, either granting consultants and consultancy firms more time to complete the required activities, facilitate changes in payment schedules and change in key experts.

Figure 3: Addendum signed during the project lifetime



Contract Termination

Out of all activities procured, 4 activities had to be terminated before completion (3 in component 2 and 1 in component 4). Details on these contracts and their justification are:

1. Socio-economic Impact Assessments for Fisheries Management Measures (Component 2): The contract with an individual consultant was terminated due to the submission of a draft report that did not meet the required standards. Although an addendum was proposed to allow more time for the consultant to improve and resubmit the report, the consultant refused to sign the addendum, leading to the termination of the contract. Given that this piece of work was a safeguard requirement, procurement was relaunched to re undertake this work.
2. Study to Quantify and Make Policy Recommendations on Public Support to the Fisheries Sector (Component 2): This contract was also terminated due to the poor quality of work delivered by the individual consultant. The Steering Committee for this assignment concluded that the consultant could not complete this work to the standard required due to medical reason. Hence, it was agreed that the contract be terminated. Work to complete this piece of work was done under a new contract with another consultant with the remaining budget.
3. Independent Assessment of EU and Mauritian Fisheries Partnership Agreements (Component 2): The contract with a consultancy firm was terminated due to a breach of the conflict-of-interest clause. The firm hired a consultant that had previously been flagged for a conflict of interest by the client. Upon breaching this clause and disregarding the client's disapproval of the consultant, the contract was immediately terminated.

4. Mid-Term Evaluation (Component 4): The contract with an individual consultant for conducting the mid-term evaluation was terminated due to the poor quality of the work provided. The substandard work led to the cancellation of the contract before its completion.

These terminations highlight the importance placed by the SWIOFish3 team on maintaining high standards and quality of work, ensuring integrity of consultant and consultancy firm and also addressing any issues promptly to ensure the overall success of the project.

Challenges

Despite the PIU's rigorous efforts to ensure a smooth procurement process, several challenges were encountered, particularly delays in project implementation and budget overrun. These delays affected the timely completion of contracts, often leading to the need for contract addendums to grant no-cost extensions. While unforeseen circumstances, such as COVID-19 restrictions, contributed to some of these delays, there were other notable factors:

1. Consultant Inefficiencies: Some consultants exhibited inefficiencies, such as slow progress and the submission of poor-quality work. This necessitated revisions and rework, further delaying the completion of deliverables.
2. Unrealistic Timelines Set in the TOR: The timelines established in the Terms of Reference (TOR) for certain activities were sometimes unrealistic. Challenges such as difficulty in obtaining the required data or the complexity of the tasks led to delays, as the consultants were unable to meet the deadlines set.
3. Delays Caused by Implementing Partners: In some instances, MDAs involved in the project did not provide necessary data or feedback within the specified timeframe. This lack of timely cooperation from implementing partners further contributed to delays in project implementation.
4. Budget overruns: Modifications to the project's scope was one of the main reasons for budget overruns. During implementation, the implementing partners were able to identify other essential task that needed to be done to effectively complete the assignment which led to additional work. These changes required additional funds, thereby contributing to the budget overruns.

Solutions

To mitigate the impact of contract implementation, delay the procurement assistant implemented a robust contract monitoring strategy. Key components of this strategy included:

1. Follow-up on Drafting TOR and Concept Notes: The PIU closely followed up with implementing partners to ensure that TOR and concept notes for activities outlined in the AWPB were drafted on time. The timeframe inserted in the TOR were reviewed to ensure realistic expectation. This proactive approach helped ensure that the necessary procurement processes were initiated without delay.
2. Regular Progress Meetings, Calls, and Emails: Regular progress meetings, calls, and emails were organised with consultants and implementing partners to ensure effective communication and alignment with project goals. These interactions were scheduled based on the project's complexity and its adherence to the stipulated contract timeline. Meetings could occur weekly, monthly, or quarterly, depending on whether the project

was on track, making them a crucial part of the overall strategy to keep the project progressing smoothly.

3. Financial Monitoring: The PIU implemented strict financial monitoring to ensure that all payments were made in accordance with the contract terms and that the project remained within budget. This involved reviewing invoices, verifying that work was completed as specified, and managing any necessary financial adjustments.
4. Stakeholder Communication: The PIU maintained open lines of communication with all stakeholders, keeping them informed about project progress, challenges, and successes. Regular updates, and meetings were conducted to ensure transparency and to address any concerns stakeholders might have.
5. Change Management: PIU ensured that in those instances were changes had to be made to ongoing contract through contract addendum, the issues were lodge and documented as and when they arise and further clarification on the matter were sought. The impact of any extension was discussed at length and necessary approval was obtained. This process ensured that the project could adapt to any challenges while maintaining its overall objectives.

This comprehensive contract monitoring strategy was essential in ensuring that the SWIOFish3 project met its goals and was completed on time and within budget, while also maintaining transparency and stakeholder engagement throughout the project lifecycle.

Evaluation of the Blue Bond

The proceeds from Seychelles' first sovereign Blue Bond, valued at USD 15 million, were strategically allocated to capitalize two key financial mechanisms: the Blue Grant Fund (BGF) and the Blue Investment Fund (BIF). This section offers a comprehensive evaluation of the performance of these funds. Additionally, it provides an overview of the post-project arrangements that have been put in place to ensure the continuity and sustainability of these financial mechanisms beyond the project's lifespan.

Blue Grant Fund

About

The Seychelles Conservation and Climate Adaptation Trust (SeyCCAT), established in 2015, is an independent, public-private trust fund committed to advancing policies and investments in marine conservation, the blue economy, and climate change (Blue Bond Annual Progress Report, 2023). The Blue Grant Fund (BGF) is a flagship grant program of SeyCCAT, funded by a $5.6 million debt-for-nature swap and $3 million from the Seychelles sovereign blue bond. Figure 4 illustrates the five strategic objectives funded under the BGF, with Blue Bond proceeds specifically allocated to projects under SeyCCAT's strategic objectives 1, 2, and 5.

Figure 4: SeyCCAT's five Strategic Objectives

SO1	Support new and existing marine and coastal protected areas and sustainable zones
SO2	Empowering the fisheries sector with robust science and knowhow to improve governance, sustainability, value and market options.
SO3	Promote the rehabilitation of marine and coastal habitats and ecosystems that have been degraded by local and global impacts
SO4	Develop and implement risk reduction and social resilience plan to adapt to the effects of climate change
SO5	Trial and nurture appropriate business models to secure the sustainable development of Seychelles Blue Economy

As per the subsidiary agreement (signed in October 2018), USD 1.5 million was allocated to SeyCCAT's Strategic Objective 1, and another USD 1.5 million was allocated to Strategic Objectives 2 and 5. The subsidiary agreement with the Government of Seychelles ended December 2023 with a remaining uncommitted balance of USD 745,378 from the Blue bond proceeds. Following discussion with The Ministry of Finance, National Planning and Trade (MFNPT) it was agreed for the remaining funds under Strategic Objective 1 (Component 1 of the SWIOFish3) to be reallocated to Strategic objective 2 and 5 (Component 2 and 3 of the SWIOFish3) for future call for proposals. The aim of this reallocation was to help develop a pipeline of blue economy businesses that can lead to more bankable projects to be potentially funded under BIF. This implied that BGF8 onwards will be specifically targeting SeyCCAT's strategic objective 2 and 5 to be funded under the blue bond proceeds.

BGF Process

Each BGF cycle begins with SeyCCAT announcing the strategic objectives that project proposals must align with to be eligible for funding. The decision on which strategic objectives to target is typically a consultative process involving input from various stakeholders. This

input is crucial as it provides valuable insights into national priorities, policies, and laws governing sectors related to SeyCCAT's objectives and target indicators.

Small Grant Process: Small grants are for projects up to SCR 100,000, with a maximum duration of one year. Approval for these grants is based on an approved concept note.

Medium and Large Grant Process: Medium grants (between SCR 100,000 and SCR 1,000,000) and large grants (between SCR 1 million and SCR 2 million) follow a two-stage application process. In stage 1, applicants submit their concept notes before the cycle's closing date. Shortlisted concept notes then move to stage 2, where applicants are sent a Request for Full Proposal (RFP) with a specified deadline. Grants are awarded and approved based on the full proposal. The maximum timeframe for implementing and completing both medium and large projects is 24 months.

Support provided to potential grantees

During the six-week window when calls for proposals are open, SeyCCAT offers comprehensive support to potential applicants, aimed at facilitating the application process and ensuring broad dissemination of information. Key support initiatives include:

1. **Capacity Building Workshops:** SeyCCAT organizes in-person workshops where team members walk applicants through each section of the application, providing detailed explanations of the relevant requirements.
2. **WhatsApp Group:** A dedicated WhatsApp group is created for potential applicants, serving as a platform where they can ask questions and receive timely responses from SeyCCAT staff. This group also allows applicants to benefit from the information shared in response to others' questions.
3. **One-on-One Sessions:** SeyCCAT offers personalized one-on-one sessions with a facilitator to provide tailored guidance on the application process, ensuring that each applicant receives the support they need.
4. **Online Resources**: A wide range of resources is available on the SeyCCAT website to help potential grantees prepare their applications. These materials are designed to clarify the application process and requirements. These materials can be accessed on https://seyccat.org/useful-resources/.
5. **Outreach and Advertising:** Annual calls for proposals are widely advertised across multiple platforms, including SeyCCAT's Facebook and Instagram pages, website, newspapers, TV interviews on platforms like "Bonjour Sesel," TeleSesel, and via emails sent to stakeholders in SeyCCAT's database.
6. **Additional Outreach Sessions:** Upon demand, SeyCCAT conducts outreach sessions and one-on-one meetings with potential applicants to provide further guidance on the application process and full proposal requirements. Capacity-building sessions are also organized on both Mahé and Praslin during the call-for-proposals period.

Ensuring Equity and Fairness in the BGF Process

SeyCCAT is deeply committed to upholding principles of equity and fairness throughout the BGF process. This commitment ensures that all applicants regardless of their background, gender, age, or resources have an equal opportunity to secure funding for their projects. The BGF process is designed to be both open and competitive, allowing any eligible organization or individual to apply, with all submissions judged solely on their merit.

To maintain this level playing field, a consistent set of evaluation criteria is applied to every project proposal. These criteria are clearly communicated to potential applicants at the start of each call for proposals, ensuring that all submissions are assessed against the same standards. This transparency helps applicants understand the evaluation process and align their proposals with the required expectations.

Throughout the application period, SeyCCAT provides various forms of support to all potential applicants, including capacity-building workshops, personalized one-on-one sessions, and online resources. This support helps level the playing field, particularly for those with less experience in grant applications or limited organizational capacity. Following evaluations, feedback is provided to all applicants, including those who are not successful. This feedback is intended to help applicants improve their proposals for future funding opportunities under SeyCCAT and to ensure that the process remains constructive and supportive.

By fostering an environment of fairness and transparency, SeyCCAT ensures that the BGF process not only supports the best projects but also contributes to building a more inclusive and equitable landscape for marine conservation, the blue economy, and climate adaptation initiatives in Seychelles.

Environmental and Social Safeguards Requirements for BGF

As part of the environmental and social (E&S) safeguard requirements for projects, all Blue Grant projects undergo an E&S due diligence process conducted by the Environment and Social Specialist (ESS) within the PIU. The ESS performs eligibility checks on all concept notes submitted for each call for proposals. This eligibility check is conducted against the three SeyCCAT strategic objectives that align with the SWIOFish3 components and against the SWIOFish3 exclusion list as part of a compliance review.

The PIU also conducts preliminary E&S screening for all small grant applications in phase 1 and for all full proposals of medium and large applications in stage 2 to identify potential E&S risks. This information is then forwarded to the SeyCCAT secretariat, which transmits it to the BGF Grants Committee. The ESS participates in BGF Grants Committee meetings as an observer, providing further clarification and discussion when necessary. After SeyCCAT Board approval, the screening reports for all small grant projects (after phase 1) and medium and large projects (after phase 2) are finalised and submitted to the World Bank for no objection.

As part of the safeguard requirements, all grantees must sign codes of conduct for Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) and develop safeguard instruments outlined in the screening reports before their projects commence. The PIU requests interim/progress reports for all BGF Blue Bond projects on a quarterly basis and participates in site visits to monitor compliance with the safeguards' requirements. However, a number of grantees do not include safeguard updates in their progress or interim reports, which remains an ongoing challenge for the PIU.

All relevant Environmental and Social Safeguards instruments for the BGF can be accessed through the official Ministry of Fisheries and Blue Economy website at https://mofbe.gov.sc/swiofish3/environmental-and-social-safeguard-instruments/.

Support Provided to Grantees

The PIU provides comprehensive support to grantees to help them meet their E&S safeguard requirements. This includes providing training on E&S safeguards to all grantees and conducting one-on-one sessions with individual applicants upon SeyCCAT's invitation or request. Additionally, the PIU communicates directly with grantees via email to assist them in fulfilling their safeguard requirements, such as providing additional information needed to complete the screening report and to develop the necessary safeguard instruments.

Lessons Learned from Previous Calls

Given that the majority of SeyCCAT projects were categorized as low risk, the ESS developed a Good Practice Note based on the World Bank's recommendation. This note compiles all identified E&S risks and corresponding mitigation measures for potential Blue Bond project activities. As a result, starting from the BGF6 cycle, low-risk projects (Category C) no longer needed to develop separate safeguards instruments. Instead, they were required only to apply the mitigation measures relevant to their specific E&S risks. This adjustment significantly reduced the due diligence timeframe concerning safeguard requirements.

Safeguard Instrument Status at the End of BGF7 Cycle

By the end of the BGF7 cycle, 16 out of the 43 approved Blue Bond-funded projects did not require safeguard instruments. Of the remaining 27 projects that did require safeguard instruments, 26 have successfully developed and implemented them as required before project commencement.

The one project still pending a safeguard instrument is from the BGF4 cycle, titled “Feasibility Study to Determine the Economic Viability of Operating a Rock-Oyster Farm for Commercial Purposes in Seychelles.” The Environmental and Social Impact Assessment (ESIA) for this project is ongoing, as it is an integral part of the project activities.

Results

By the end of the BGF7 cycle, SeyCCAT has financed 48 projects using Blue Bond proceeds, distributed across 12 small, 15 medium, and 21 large-sized projects from the 2nd to the 7th call for proposals. As communication and awareness of the fund have grown, the number of BGF applications received by SeyCCAT has steadily increased. Grants have been awarded to a diverse group of beneficiaries, including civil society organizations, academic institutions, government entities, businesses, and individuals. Table 3 below summarizes the number of applicants by their beneficiary status.

Table 3: Distribution of Applicants by Beneficiary Status

Beneficiaries’ status	Total Number
Individuals	24
Business	5
Government	4
Parastatal	2
NGO	13

The table illustrates that individuals make up the largest group of beneficiaries, accounting for nearly half of the total applicants, followed by non-government organisations (NGO). This

distribution reflects SeyCCAT's broad reach across different sectors, enabling a diverse range of stakeholders to contribute to marine conservation and the blue economy development. The lower representation from businesses and parastatals may indicate an opportunity for increased engagement in future funding cycles.

Table 4 below shows the distribution of grant sizes across different cycles and the total financial commitment made in each cycle.

Table 4: Total amount of Project Funded per Cycle

BGF Cycle	Successful Applications	Grant size	Commitment	Disbursement
BGF2	4	Large	171,577.32	164,813.41
BGF3	4	Small	28,411.65	21,784.61
	10	Large	618,977.83	526,473.09
BGF4	3	Small	21,347.40	17,791.14
	2	Large	142,280.06	92,351.23
BGF5	2	Small	9,175.77	9,175.77
	4	Medium	133,285.71	121,579.36
	1	Large	76,797.39	36,647.99
BGF6	1	Small	6,871.48	3,435.74
	5	Medium	244,937.73	200,014.72
	3	Large	393,481.90	292,471.89
BGF7	2	Small	14,165.5	-
	6	Medium	423,773.27	115,548.77
	1	Large	129,564.84	84,993.60

As of the end of August 2024, 21 out of 48 projects have been successfully closed and completed. The table below provides details on the number of projects closed by BGF cycle. Notably, all BGF2 projects have been completed. The variance between disbursement and commitment, as shown in Table 4, is due to unused funds that have been refunded to SeyCCAT by the projects.

Additionally, out of the 28 ongoing projects (up to BGF 7), 7 projects are nearly closed with project activities completed and under administrative procedure before closure.

Table 5: Completed projects by BGF cycle

BGF Cycle	Project Funded	Completed projects
BGF2	4	4
BGF3	15	11
BGF4	5	3
BGF5	7	3
BGF6	9	0
BGF7	9	0
Total	**48**	**21**

The gender analysis of individual applicants, as shown in the Table 6, reveals a slight male predominance in the applicant pool (58.3% male vs. 41.7% female). This difference is not

drastic, indicating that SeyCCAT's efforts to make the BGF an equitable resource has largely been successful.

Table 6: Gender Distribution of Individual Applicants

Gender of individual Applicants	Counts
Male	14
Female	10

BGF8 Call for Proposals

The call for proposals for BGF8 was launched on April 15 and closed on May 27, 2024, with a focus on strategic objectives 1, 4, and 5. Blue bond proceeds was specifically targeting medium and large projects with the following conditions:

i. Open to individuals, locally registered commercial entities including small and medium-sized enterprises/businesses, joint ventures, and public-private partnerships.
ii. The fund can be used as partial leverage for application to the Blue Investment Fund of the Development Bank of Seychelles.

A total of 52 applications were received out of which 15 were under strategic objective five. 17 projects have been invited to proceed to stage two and submit full proposals, of which 9 have been earmarked for funding under Blue Bond proceeds. The available balance for funding BGF8 projects under the Blue Bond stands at SCR 10,835,152.32 (approximately USD 747,251.88).

Challenges

Throughout the implementation and monitoring of various BGF projects, several challenges have emerged that impact the efficiency and effectiveness of project delivery. These challenges have underscored the need for additional support and strategic adjustments to ensure continued progress and success. Each of these challenges presents associated risks that must be addressed to maintain project momentum and achieve the desired outcomes.

1. **Delays in Reporting:** Grantees have faced difficulties in submitting timely progress and final reports, leading to delays in review processes, disbursements, and project oversight. Causes include limited organisational capacity, lengthy internal approvals, and external factors like COVID-19 and weather conditions. This increases risks related to financial oversight and project delays. To mitigate some of those risk, SeyCCAT team has been offering one-on-one reporting assistance to struggling grantees.
2. **Internal Budget Approval Delays:** Slow internal approval processes for budget adjustments across budget expenditure categories have caused project delays and grantee frustration. The process has since been streamlined depending on the amount to expedite fund reallocations.
3. **Stakeholder Engagement Issues:** In some instances, grantees have struggled to engage government agencies and other stakeholders during project development. In those instances, grantees have been advised to coordinate their request through SeyCCAT.

4. **Supply Chain Disruptions:** Global supply chain issues have delayed projects that require specialized equipment. Grantees are now advised to anticipate and plan for potential procurement delays in their timelines.

Blue Investment Fund

About

The Blue Investment Fund (BIF), administered by the Development Bank of Seychelles (DBS), was established and capitalized with 80% of the proceeds from the Blue Bond. Its primary goal is to finance investments in the fisheries value chains and the aquaculture sector. Unlike the BGF, the BIF required additional time for DBS to establish its internal operations. This extra time also allowed for the finalization of a communication campaign and the completion of a value chain study, which helped define the eligible activities under the fund.

One of the unique selling points of the BIF is the relatively large size of the loans offered, with amounts up to USD 3 million (in Seychelles Rupee equivalent), which is significantly larger than other concessionary finance schemes operated by DBS.

Since the launch of the BIF, several changes have been made to make the fund more attractive and relevant. Key changes include:

- **Change to an Open Application Format:** In December 2019, the BIF shifted from a call for proposals format to an open format, allowing applications to be submitted throughout the year. This has allowed investors to come to the BIF anytime they are ready.
- **Removal of Business Age Requirement:** The initial requirement that a firm must have been legally established for two years to qualify for the BIF was removed, eliminating a barrier for startup businesses.
- **Change in Business Ownership Status**: The fund's criteria were adjusted to allow the majority of shareholders in a company or investor group accessing the funds to be foreigners. This change will benefit potential zone 14 investors which plans to partner with international investors.
- **Reduction in Personal Contribution:** The required personal contribution from applicants was reduced from 20% to 10%, making it easier for businesses to meet the funding requirements.
- **Inclusion of Aquaculture as an Eligible Activity:** Following the gazettement and enforcement of the Aquaculture Regulations, aquaculture was added as an eligible activity under the BIF.

Promotion of the BIF and its eligible activities

To maximize the impact and reach of the BIF, a comprehensive promotion strategy was implemented. This strategy focused on increasing awareness, engaging stakeholders, building capacity, and fostering strategic partnerships. Efforts included targeted campaigns, direct engagement with potential beneficiaries, and ongoing evaluation to enhance visibility and attract a diverse range of applicants.

Following changes made to the BIF to enhance its appeal, these updates were effectively communicated to ensure that the revised features and benefits were widely understood.

Application Process

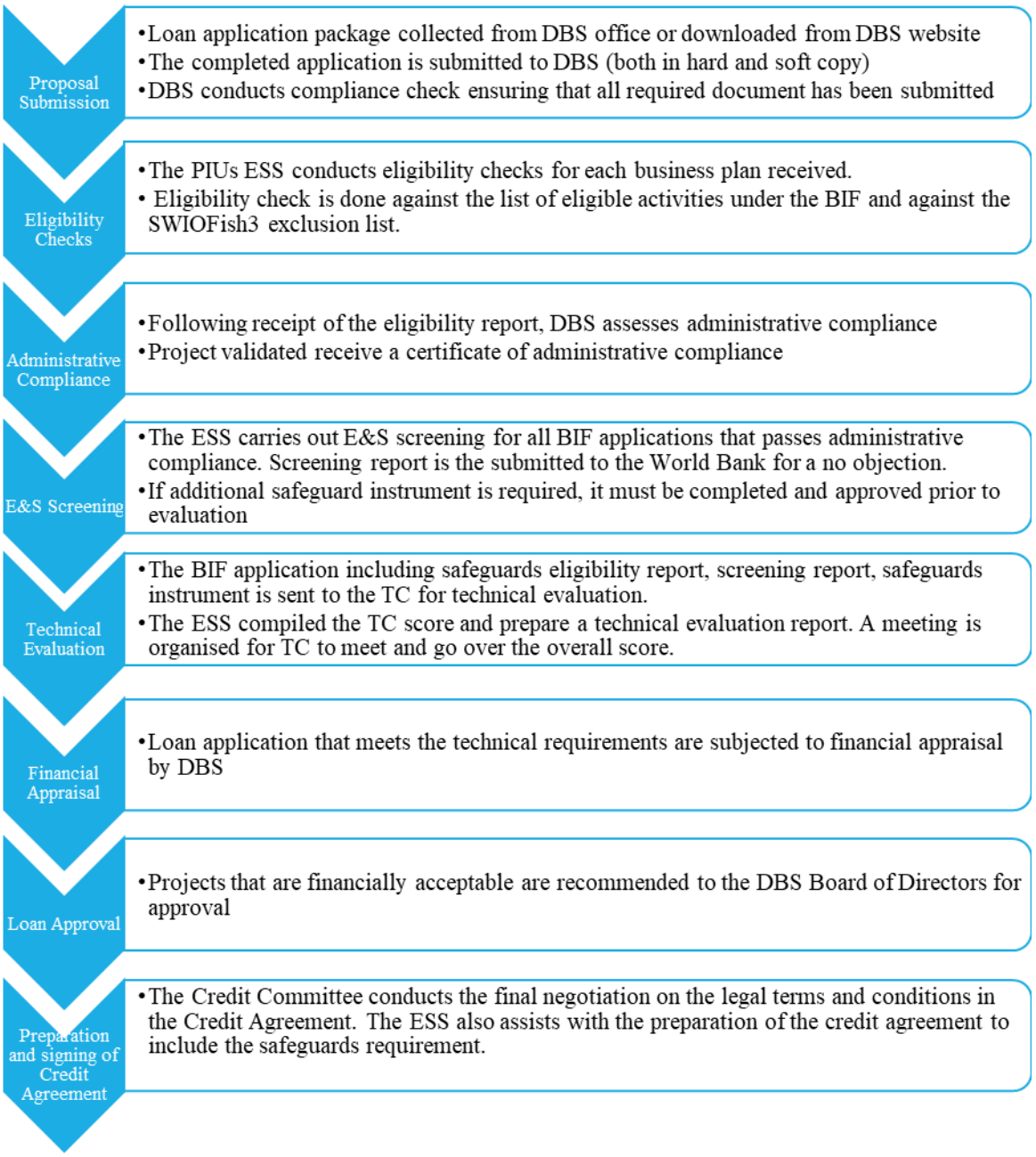
The BIF application process, from submission to loan approval is a structured, multi-step approach designed to ensure that all proposals are rigorously evaluated for their environmental,

social, technical, and financial viability. Each stage plays a critical role in determining whether a project is eligible for funding, in line with the objectives of the SWIOFish3 project and sustainable fisheries management.

From proposal submission to final loan approval, the process involves several layers of scrutiny, including eligibility checks, administrative compliance, E&S screening, technical evaluation, and financial appraisal. The ultimate goal is to support projects that contribute to the Blue Economy while adhering to high standards of environmental and social responsibility.

Details of the BIF process can be found in the Figure 5 below.

Figure 5: Step-by-Step Process of the BIF Application and Evaluation



Following the signing of the credit agreement, loan disbursements should commence. Project implementation should be closely monitored by the DBS, the PIU, and the World Bank to

evaluate the overall performance of the subproject. As no loan disbursements have occurred to date, no compliance monitoring visits have been conducted. Details on post project arrangement for conducting eligibility checks, E&S screening and monitoring of project given that PIU is no longer operational will be discussed in the post-project sub-section.

Environmental and Social Safeguards Requirements for BIF

The E&S Safeguards requirements were integral to ensuring that projects funded under the BIF adhered to national and international (World Bank) standards. The SWIOFish3 project facilitated the development of these safeguards to promote environmental and social responsibility among loan applicants, ensuring that their projects contributed positively to the blue economy while mitigating potential negative impacts.

The ESS was involved throughout the loan application process, from initial eligibility checks to credit agreement finalization. This engagement was crucial for embedding sustainability considerations and social safeguards into each project. For applicants, compliance with these requirements was a new and often challenging aspect of the application processes other loan schemes does not have rigorous E&S safeguards requirements. However, through continuous support from SWIOFish3, applicants gradually adapted to these safeguards.

Key steps taken by the ESS included preparing TOR for ESIA and Environmental and Social Management Plans (ESMP) where necessary (following the E&S screening demonstrated in Figure 5 above). These TORs guided the recruitment of consultants funded by SWIOFish3 to conduct the required assessments. The ESS was also actively involved in the ESIA process, attending inception and scoping meetings with the Department of Environment (DOE) and other stakeholders, conducting site visits, and reviewing reports before submission to the World Bank for no-objection approvals.

Despite these efforts, ensuring the timely completion of supplementary safeguard instruments remained a challenge. Effective coordination between applicants, stakeholders, and the ESS was essential to avoid delays. To address this, the SWIOFish3 project invested in capacity-building initiatives were required to help applicants understand and meet the safeguard requirements, and also funded for the development of safeguard instrument for BIF applicant and potential BIF beneficiaries.

The SWIOFish3 project has funded 3 ESIAs and 1 ESMP during its lifespan.

1. **ESIA for Project titled 'Fish and Seafood Processing and Export'.** From the E&S screening stage of the BIF application, it was identified that the project needed a class 1 ESIA. This ESIA was completed in September 2022 with the loan approved and credit agreement signed in February 2023. The environmental and social considerations were formally documented in the credit agreement, holding the project accountable to its sustainability commitments.
2. **Blanket ESIA for Fish Processing Zone, Ile du Port (Zone 14)**: Zone 14 is the piece of land earmarked by the Seychelles government for fish processing facilities. The project financed the ESIA for this zone, to facilitate the investors application to the BIF once they receive their lease agreement and have their planning approval. Although the project will still require development of an individual E&S instrument following E&S

screening, the process is expected to be much faster. The ESIA was accepted by MACCE in April 2024.

3. **Genetical and Analytical Laboratory for Veterinary and Environmental Diagnostics**: This BIF applicant required an Environmental and Social Management Plan (ESMP) as part of its safeguard obligations. The ESMP was completed and received approval from the World Bank safeguard team in April 2024. At the end of October, the project had just been approved by the DBS Board.

4. **Prawn Project on Coetivy**: The ESIA for the IDC Prawns project, completed in February 2024, will enable the company to benefit from BIF scheme. The business plan has passed eligibility check and technical committee review and submitted to DBS for financial appraisal.

Through these projects, SWIOFish3 demonstrated its commitment to embedding environmental and social safeguards in the blue economy's development, ensuring that BIF-funded ventures are both sustainable and compliant with international best practices.

All relevant Environmental and Social Safeguards instruments for the BIF can be accessed through the official Ministry of Fisheries and Blue Economy website at https://mofbe.gov.sc/swiofish3/environmental-and-social-safeguard-instruments/.

Results

As of the end of September 2024, a total of 6 projects expressed interest in the Blue Investment Fund (BIF). Out of these, 5 projects have submitted full applications.

Full Applications

- Three applications were approved by the DBS Board of Directors:
  - **Cold Storage Facility:** The first application, approved by the DBS Board in 2021, was for a cold storage facility with a total loan value of USD 250,000. However, the applicant decided not to proceed with the application due to personal medical reasons.
  - **Fish and Seafood Processing Plant for Ocean Basket:** The second approved loan was for the construction of a new Fish and Seafood Processing Plant for Ocean Basket, with a total value of SCR 40.7 million (approximately USD 3 million). The credit agreement for this loan was signed in February 2023 and renewed at a fee in August 2024, with the condition that the first disbursement should be made by the end of October 2024. The delay in disbursement was due to an ongoing change in the legal shareholder of the company, which was finalised in August 2024. The company has recently submitted all updated documents, which are currently under review by the DBS credit team prior to any disbursements.
  - One application for a **Genetic and Analytical Laboratory for Veterinary and Environmental Diagnostics** has just been approved by the DBS board on the 24th October. Drafting of the credit agreement is ongoing.
- One full application was received for the "**Development of a prefabricated warehouse to cater for storage facilities and laboratory services."** This project has passed the BIF eligibility check, and DBS is currently conducting the administrative compliance review.
- Another full application was received in September 2024 for "**Expansion of the existing prawn's aquaculture project on Coetivy to include the building and setting up of a**

hatchery and solar farm" with a proposed loan value of USD 3 million. The compliance review is ongoing in parallel to the eligibility check being undertaken by PIU to streamline the processing time.

Pipeline project

Aside from the aforementioned full applications, there is also one pipeline project:

Marlu Seychelles: DBS is currently conducting a compliance review for this project. However, the application remains incomplete because the investor is still awaiting the Lease Agreement for his plot of land on Zone 14. This Lease Agreement is necessary for the submission of the fish processing plant's structural plan to the Seychelles Planning Authority for approval. The approved structural plan is the only document pending to complete the application.

Challenges

The uptake of the BIF has faced several significant challenges, many of which were beyond the control of both the DBS and the PIU. Nevertheless, substantial efforts to overcome these challenges and facilitate greater engagement with the fund has been made.

- **Land Availability and Lease Agreements**: A critical factor for the success of projects under the BIF is the availability of land close to or within the fishing port. However, land in these areas is scarce in Seychelles. In 2020, the government designated a piece of land on Ile du Port specifically for fish processing, which was allocated to ten investors. Despite their interest in applying for the BIF, investors have faced difficulties in completing their applications because they have not yet received their lease agreements. These lease agreements are essential for passing DBS's compliance checks and submitting construction plans for approval by the Planning Authority. To expedite the process and support these investors, the project funded a blanket ESIA for Zone 14 on Ile du Port. Although individual investors will still undergo screening and develop their specific safeguard measures based on this ESIA, the process will be significantly quicker, allowing them to move forward more efficiently. By the end of the project, the demarcation of plots had been finalized, and the SFA was in the process of preparing lease agreements, which are expected to be issued to the investors soon.
- **Impact of the COVID-19 Pandemic and Ongoing Global Conflicts:** The COVID-19 pandemic has significantly impacted the investment climate in Seychelles, with many businesses still in recovery mode. This challenging environment has led to reduced investor confidence, making potential investors more risk-averse and hesitant to embark on new ventures. The ongoing global conflicts have further exacerbated these challenges by contributing to economic uncertainty, including the depreciation of the Seychelles Rupee and a rise in the cost of living due to higher importation prices caused by the new shipment routes[2]. Additionally, disruptions in international trade, such as a decline in tourism arrivals due to reduced traffic from the Russian market and the cancellation of direct flights to Israel, have intensified investor caution, further impacting the overall investment landscape in Seychelles. To counteract this trend, the project funded a consultancy assignment aimed at re-communicating the benefits of the

[2] This information is based on feedback received from potential investors during one-on-one meetings organized with them.

BIF and boosting investor confidence, helping to reignite interest in these opportunities. As a result, there was an increase in the number of completed applications, which will be discussed in the results section.

- **Perception of the BIF as a difficult financing mechanism:** There has been a perception among potential investors that the BIF is a challenging financing mechanism due to its numerous procedures, lengthy evaluation steps, and rigorous safeguard requirements compared to other available schemes. The PIU has made several efforts to make the loan more attractive and to change this perception, including:
  - Providing capacity-building support and technical assistance to help potential investors develop and format their business plans as required.
  - Assisting applicants with the preparation of their safeguard instruments when necessary. The project covered the costs for four safeguard instruments as part of this effort.
  - Reducing the required personal contribution from 20% to 10%.
  - Directly advertising the unique value proposition of the BIF, emphasizing that it is the only scheme offering up to USD 3 million, and clarifying that the evaluation process for other funds is quite similar to that of the BIF.
  - Publicizing approved loans upon the signing of credit agreements to showcase success stories and inspire confidence among potential investors. Refer to the following link for the advertising of Oceans Basket approval https://dbs.sc/seychelles-blue-investment-fund-issues-first-large-scale-loan-to-ocean-basket/
- **Navigating the Application Process:** Learning from lessons learned, DBS has taken steps to streamline the BIF application process without deviating from the manual. By conducting administrative compliance reviews in parallel with eligibility checks, they have reduced delays while maintaining full adherence to the required procedures.
- **Client Willingness to Engage with the BIF Process**: Some clients have shown reluctance to engage fully with the BIF process due to the perceived complexity and stringent requirements of the financing mechanism, which has led to delays in applications or in completing each step of the process. However, ongoing efforts are being made to provide support and encouragement to these clients, helping them navigate the process more effectively.
- **Complementarity between the BGF and BIF:** The BGF and BIF were designed to work together, allowing entrepreneurs to test business ideas through a BGF grant and, if successful, transition to the BIF for loan funding to scale up their ventures. However, no successful BGF projects have yet advanced to the BIF stage. For example, aquaculture projects funded under the BGF are still ongoing and have not reached the stage where they can seek BIF financing. Several factors outside the control of DBS, the PIU, and the SeyCCAT team contributed to this delay. Some grantees lacked the technical (scientific) expertise needed to fully execute their projects, while others faced land availability challenges, or lease agreement delays which hindered project progression. Additionally, many BGF-funded projects focused on Strategic Objectives 2, rather than Strategic Objective 5, which aims to trial and nurture business models that contribute to the sustainable development of Seychelles' Blue Economy. This limited the flow of projects from the BGF to the BIF. To overcome this challenge the 8th call for proposal for BGF was only advertising strategic objective 5.

- **DBS Staff Enthusiasm for Promoting the BIF Scheme**: The initial uptake of the BIF was slow, partly due to low enthusiasm among DBS staff in promoting the scheme to potential investors. The BIF is a new initiative with a different application process and approach to loan assessments, and the large loan sizes have also contributed to this hesitation. However, capacity-building sessions have been conducted with credit staff to boost their enthusiasm and shift their perception of the scheme, gradually leading to improvements in their ability to promote it effectively.

Blue Bond Post-Project Commitment

After a one-year extension, the SWIOFish3 Project officially closed on June 28, 2024. Despite the Project's conclusion, several key activities funded by the Seychelles sovereign Blue Bond will continue beyond this date. These ongoing activities include the issuance of loans through the BIF by the DBS and the implementation of projects under the BGF, both of which were initiated under the Project.

The Blue Bond obligations will remain in effect until October 2028. To ensure the continued success and sustainability of these initiatives and to honour these obligations, the DBE under the MFBE has committed to upholding these responsibilities through the recruitment of an Environmental and Social Safeguards (ESS) specialist. The Terms of Reference (TOR), drafted by PIU and approved by the World Bank, were used for the creation of this post within the DBE. The position has already been established, and the DBE is currently negotiating the salary package for the position with the Public Service Bureau (PSB).

This role is crucial for ensuring that environmental and social due diligence are carried out for each Blue Bond projects throughout the project lifecycle, E&S monitoring of blue bond projects, reviewing project proposals, conducting eligibility checks, managing the BIF Technical Committee, and reporting to Blue Bond investors, all of which were responsibilities that were previously managed by the PIU.

Financial Management and Analysis

The financial management of the SWIOFish3 Project was structured to ensure transparency, accountability, and efficient use of resources across its various components. Funding for the project was provided through a combination of an IBRD loan, a GEF grant, and proceeds from the Blue Bond. Each funding source was allocated to specific project components to support the expansion of marine protected areas, improve fisheries governance, and drive the sustainable development of the blue economy. This section provides an analysis of the budget allocation, disbursements, and financial performance, highlighting key insights into fund utilization, challenges faced in disbursements, and steps taken to ensure financial sustainability post-project completion.

Overview

The Ministry of Finance, National Planning and Trade (MFNPT) appointed a senior staff member as the Project Accountant to manage the financial operations of the SWIOFish3 Project. This individual was responsible for overseeing the project accounts, ensuring proper financial management, and maintaining compliance with established financial protocols and guidelines. The Project Accountant played a key role in coordinating with the Project Implementation Unit (PIU), handling all project invoices, and submitting them to MFNPT for payment processing. This appointment was crucial to ensuring robust financial oversight and smooth financial operations throughout the project.

SeyCCAT and DBS managed and reported on the commitment and disbursement of the Blue Bond proceeds, with SeyCCAT handling the BGF and DBS overseeing the BIF. Disbursement of funds to beneficiaries was carried out directly by SeyCCAT and DBS, who also monitored the disbursement and implementation of funded projects.

Interim unaudited financial reports were prepared quarterly by these entities to facilitate timely reporting to the World Bank and assist in the preparation of progress reports by the PIU. This system ensured transparency and provided a structured mechanism for tracking financial performance and accountability of all project funds.

The financial management of SWIOFish3 was instrumental in achieving the project's objectives, maintaining a careful balance between commitments and disbursements. The project's blended financing approach, including concessional funding and innovative instruments like the Blue Bond, enabled both targeted investments and broader improvements within the Seychelles' blue economy

Budget Allocation by Project Component and Funding Source

The table below outlines the total project costs by component and the corresponding sources of funding (IBRD Loan, GEF Grant, and Blue Bond proceeds). Components 1 and 2 were funded under the GEF grant for the project funds and the IBRD loan financed component 3 and 4 of the SWIOFish3 project. The Blue bond proceeds which were managed by SeyCCAT and DBS supported component 1, 2 and 3 of the SWiofish3 project.

Table 7: Budget allocation by component and source of funding

Project Components	Project Cost	IBRD Loan	GEF Grant	Blue Bond
1. Expansion of sustainable-use marine protected areas	4.15	-	2.65	1.5
2. Improved governance of priority fisheries	4.15	-	2.65	1.5
3. Sustainable development of the blue economy	16.00	4.0	-	12.0
4. Project management and coordination	1.00	1.0	-	-
Total allocated budget	**25.29**	**5.0**	**5.29**	**15.0**

The distribution of funds across the SWIOFish3 project components was carefully planned to reflect the key priorities of both environmental sustainability and economic development. The GEF Grant was allocated to Components 1 and 2, which focused on expanding marine protected areas and improving fisheries governance. This aligns with the GEF's mandate to support global environmental benefits. The IBRD Loan primarily funded Component 3, the sustainable development of the blue economy, and also covered project management under Component 4, showcasing the World Bank's emphasis on driving economic growth through sustainable practices. The 1-year extension of the project, led to the need for more funds for component 4 for the management and coordination of the project. This was funded from component 3 budget.

The Blue Bond proceeds, managed by SeyCCAT and DBS, played a unique role in bridging the gap between conservation (Components 1 and 2) and economic initiatives (Component 3). By spreading across these components, the Blue Bond facilitated integrated solutions for sustainable development, linking the health of marine ecosystems with economic resilience.

Partial Cancellation and Return of Unspent GEF and IBRD Funds

In early 2024, the Government of Seychelles initiated the process of partially cancelling unutilized project funds under the SWIOFish3 Project. As the project approached its completion, and with the closing date for both the IBRD Loan and GEF Grant on the horizon, unspent funds were identified. On June 5, 2024, a formal request was made to cancel USD 430,000.00 from the IBRD Loan 87790 SC and return an estimated USD 250,000.00 of unused funds from the GEF Grant TF 0A5293.

The actual amounts cancelled and returned for both the IBRD Loan and GEF Grant are detailed below. For the IBRD Loan, a total of USD 430,000.00 was cancelled, with an additional USD 31,950.18 remaining undisbursed, resulting in a total unspent amount of USD 461,950.18. Regarding the GEF Grant, the cancellation did not materialize prior to project closure, leaving a total of USD 276,501.91 undisbursed.

Table 8: Summary of unspent and cancelled funds for IBRD Loan and GEF Grant

Funds	IBRD Loan	GEF Grant
Cancelled	430,000	-
Undisbursed	31,950.18	276,501.91

Total	461,950.18	276,501.91

The cancellation of USD 430,000 from the IBRD Loan reflects a strategic adjustment as the project approached closure, ensuring that unnecessary debt was avoided. The undisbursed amount of USD 31,950.18 further emphasizes efficient financial planning, as the project managed to achieve its objectives without fully utilizing the loan, thus preventing additional borrowing costs.

The undisbursed amount of USD 276,501.91 from the GEF Grant highlights prudent financial management, though the cancellation process for these funds was not finalized before project closure. Several initial initiatives initially planned under the project's budget were instead catered to through other funding sources. Hence, decisions were made to cancel these activities to avoid duplication of efforts and wastage of financial resources. To note that the undisbursed money which was returned to GEF can be used to fund other project in Seychelles.

GEF Grant and IBRD loan disbursement

The SWIOFish3 Project was funded through two primary sources: the GEF Grant, which financed Component 1 and Component 2, and the IBRD Loan, which funded Component 3 and Component 4. Analysing the disbursement by sources of funds provides further insight into the project's financial management.

As part of the final completion report for the SWIOFish3 project, an analysis of the actual disbursement rates relative to the allocated budget at project approval from the GEF grant and the IBRD loan has been conducted (see Table 9 below). The disbursement rate for GEF funds is an impressive 95%, indicating effective utilization of resources throughout the project's lifecycle. This high percentage reflects the successful implementation of project activities, with minimal delays and effective management of funds in alignment with project goals. Given that this was a grant, the full disbursement signifies the project's commitment to leveraging these funds to achieve sustainable fisheries and marine conservation outcomes.

The IBRD loan achieved a disbursement rate of 91%. The slightly lower disbursement rate suggests some challenges in fully utilizing the allocated funds. Nevertheless, the 91% disbursement rate demonstrates a strong commitment to managing financial resources responsibly and indicates that the majority of the loan was effectively mobilized to support project objectives.

Table 9: Total allocation and disbursement of project funds (in USD)

Fund	Budget	Disbursement
GEF Grant	5,300,000	5,023,498.09
IBRD loan	5,000,000	4,538,049.82
Total	10,300,000	9,561,547.91

The overall disbursement rate for the project stands at approximately 93%, reflecting a strong performance in fund utilization across both sources. This financial analysis underscores the effectiveness of the SWIOFish3 project in achieving its objectives and delivering impactful results for sustainable fisheries management and conservation.

Analysis by component based on the revised budget

The table below presents the allocation and disbursement of project funds by components in USD.

Table 8: Allocation and disbursement of project funds by components (in USD)

Component	Approved Budget	Revised Budget	Disbursement	Percentage (based on revised)
Component 1	2,650,000	2,650,000	2,194,947.25	82.83%
Component 2	2,650,000	2,650,000	2,743,240.97	103.52%
Component 3	4,000,000	3,570,000	3,008,677.15	84.28%
Component 4	1,000,000	1,000,000	1,390,796.58	139.08%
Total	**10,300,000**	**9,870,000**	**9,337,661.95**	**94.61%**

GEF Grant (Component 1 and Component 2)

The total allocation under the GEF Grant was USD 5,300,000, with approved budgets for Component 1 and Component 2 set at USD 2,650,000 each.

Component 1 disbursed USD 2,194,947.25, which is 82.83% of the allocated budget, reflecting under-disbursement. This was primarily due to delays in the development and implementation of management plans, mainly caused by the COVID-19 pandemic, which hindered stakeholder engagement. Many activities under this component were dependent on finalizing the management plans, which materialized near project closure, leaving insufficient time for the procurement and execution of activities in the Annual Work Plan and Budget (AWPB).

Component 2 disbursed USD 2,743,240.97, exceeding the budget at 103.52%, reflecting over-disbursement. The excess was financed using underutilized funds from Component 1.

The overall disbursement under the GEF Grant totalled to USD 4,938,188.22 out of the revised USD 5,300,000 budget, resulting in a disbursement rate of 93.22%. This indicates that most activities planned under the GEF Grant were successfully executed, with some adjustments due to evolving project needs.

IBRD Loan (component 3 and 4)

The IBRD Loan allocated a total of USD 5,000,000 for the project, with initial allocations of USD 4,000,000 for Component 3 and USD 1,000,000 for Component 4. These amounts were revised to USD 3,570,000 and USD 1,000,000, respectively.

Component 3 disbursed USD 3,008,677.15, which is 84.28% of the revised budget, reflecting under-disbursement. Component 4 disbursed USD 1,390,796.58, exceeding the budget at 139.08%, reflecting over-disbursement. This was due to the one-year extension of the project, during which funds from Component 3 were used to support project management and monitoring for the additional year.

The total disbursement from the IBRD Loan amounted to USD 4,399,473.73 out of the revised USD 4,570,000, equating to a disbursement rate of 96.26%. The strategic cancellation of USD

430,000 from the loan before project closure minimized unutilized funds, contributing to more effective debt management.

Blue Bond commitment and disbursement

The total amount of funds received under the Blue Bond Account was USD 15,000,000, of which USD 3,000,000 was allocated to SeyCCAT (BGF) and USD 12,000,000 was allocated to DBS (BIF). Over the years, disbursements to SeyCCAT and DBS were made as detailed in Table 9 below (in USD). By the end of 2023, all Blue Bond funds had already been fully allocated to both SeyCCAT and DBS.

Table 9: Disbursement of Blue Bond proceeds to SeyCCAT and DBS (in USD)

Fund	2019	2020	2021	2022	2023	Total
BGF	1,000,000	500,000	500,000	500,000	500,000	3,000,000
BIF	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000	12,000,000

While the total Blue Bond proceeds of USD 15,000,000 were fully allocated by 2023, the actual commitment and disbursement of these funds vary between the two mechanisms. Table 10 below outlines the allocated budget, total commitments made to date, and total disbursements for both the BGF and BIF.

Table 10: Commitment and disbursement of BGF and BIF (in USD)

Fund	Allocated Budget	Total Commitment	Total Disbursement
BGF	3,000,000	2,414,648	1,687,081
BIF	12,000,000	3,000,000	645,164

This table provides insight into the financial performance of both funds, highlighting the difference between the amounts committed to projects and the actual disbursements made to date.

BGF

The BGF has committed over 80% of its allocated budget but has disbursed less than 60% of the committed amount. The remaining 40% of the committed budget pertains to ongoing projects, as illustrated in Table 4: Total amount of Project Funded per CycleTable 4 of the Blue BGF section of the report. The uncommitted funds have been made available for the call for proposals issued in April 2024, focusing on funding projects under Strategic Objectives 2 and 5. By the end of October, the full proposals from BGF8 applicants were still under review, with final approval and commitment figures expected by the end of November.

To better target these two strategic objectives, a restructuring of the allocated budget was approved, reallocating the remaining funds from Strategic Objective 1 to Strategic Objectives 2 and 5 for future calls for proposals. The aim of this reallocation is to help develop a pipeline of blue economy businesses that could lead to more bankable projects potentially funded under BIF. This means that from BGF8 onwards, the focus will be specifically on SeyCCAT's Strategic Objectives 2 and 5, funded by the Blue Bond proceeds.

BIF

In contrast to the BGF, the BIF shows a much lower commitment and disbursement rate, with only 25% of the allocated budget committed and just 5.4% disbursed. This reflects the challenges faced in implementing the BIF, as discussed in detail in the BIF section. However, the project currently has two strong pipeline projects that will increase the commitment and disbursement approved.

1. The laboratory facility development for fish testing which has a total value of USD 3 million for the development of a laboratory for fish testing. The project has just been approved by the DBS board on the 25th October. Drafting of credit agreement was ongoing at the end of October.
2. The Aquaculture facility development which is for a total amount of USD 3 million has passed technical review and is with DBS for financial appraisal. The project is expected to be submitted to the board for approval in November 2024.

Additionally, it is important to note that BIF is a revolving fund, meaning that the funds will remain available for future blue economy projects even after the completion of the SWIOFish3 project. This ensures that the financing mechanism can continue to support the development of sustainable blue economy initiatives in the long term.

Reporting on the PDO level Indicators

This section provides an update on the extent to which the PDO has been achieved and aims to attribute the results to the project. Refer to **Annex 2** for a summarised table of the 5 indicators, there end target, and results achieved.

PDO1: Sustainable-use marine protected areas with a Management Effectiveness Tracking Tool (METT) score of 50 or higher

Overview

The first PDO of the project (PDO1) measures whether 30% of our ocean space has been protected, and also whether those newly protected areas are being effectively managed using the Management Effectiveness Tracking Tool (METT). The target set under component 1 was to get a score of 50 or higher for those new sustainable-use marine protected areas.

Methodology

The METT is a widely used, standardized site assessment tool designed to evaluate, monitor, and report on the management practices and effectiveness of individual protected areas over time. It helps identify management strengths and areas needing improvement by providing a consistent method for tracking progress.

To update the METT assessment for the newly demarcated protected areas, meetings were conducted with the Marine Spatial Planning (MSP) governance unit. These meetings provided essential information on staffing, available equipment, budget allocations, and other relevant factors required to complete the METT datasheet. Additional information was gathered through site visits to the Department of Environment office.

The final METT assessment for these areas was completed in July 2024.

Results

From the METT analysis conducted in July, the newly demarcated protected areas **achieved a score of 65**, surpassing the target score of 50. Several key factors contributed to this achievement:

- *Establishment of the Seychelles Oceans Agency:* This new agency is responsible for managing the protected areas. It currently has three staff members employed, providing a dedicated team for oversight and management.
- *Gazettement as Sustainable Use Zones:* The official designation of these areas as sustainable use zones provides a clear legal framework for their management and protection.
- *Preparation and Approval of Management Plans:* Comprehensive management plans have been prepared and approved for these zones, setting out guidelines and strategies for sustainable use and conservation.
- *Allocation of Equipment for Management:* The allocation of equipment, including a surveillance vessel and various monitoring tools, has strengthened the capacity for effective management and enforcement in these areas.

Results Attribution

These efforts have collectively contributed to the METT score, indicating a strong foundation for the effective management and conservation of the protected areas.

i. **Development of Management Plans for Sustainable Use Zones:** The project funded the development of three management plans for sustainable use zones (Zone 2), including all necessary stakeholder consultations. The Sustainable Use Areas for which these plans were drafted by the C2O Fisheries team total 237,392 km², with specific areas as follows:
   - 217,589 km²: Amirantes to Fortune Bank Sustainable Use Area
   - 14,482 km²: Farquhar Archipelago Sustainable Use Area
   - 5,321 km²: Cosmoledo and Astove Archipelago

   This consultancy work, conducted by C2O Fisheries, has been approved and endorsed by Minister Flavien Joubert, Ministry of Agriculture, Climate Change, and Environment (MACCE).

   The creation of the management plans followed a consultative process, which positively impacted on the METT scoring. The METT scoring system evaluates the existence of management plans, the inclusiveness of the planning process, and the effectiveness of the plan's implementation. The consultative approach taken in this case earned a higher score.

   Implementation of the management plans is expected to commence in the last quarter of 2024. This is anticipated to lead to a substantial improvement in the METT scores, reflecting enhanced management effectiveness in these protected areas.

ii. **Provided Technical Assistance:** The project funded Technical Assistant to MACCE on MSP surveillance options, piloting, tender preparation and asset purchasing. The consultant was responsible for identifying existing gaps in the country that will impact on the surveillance of the new demarcated protected areas. The final report identifies equipment that will be required for MSP surveillance (software and hardware).

iii. **Provided Equipment for enforcement of management measures and monitoring:** The project also made significant investments in various equipment and assets to enhance the monitoring, control, and surveillance of protected areas. The most substantial investment was the purchase of a surveillance vessel, which will be crucial for monitoring and enforcing allowable activities within these areas. Other important equipment funded under the project includes:
   - Diving and Survey Equipment for MPA Authorities which includes standard diving gears, underwater cameras, binoculars, rugged laptops and GPS Pathfinders
   - Surveillance Equipments for MSP including satellite equipment units to enable internet access on the surveillance boat, 2 Rigid Inflatable Boats (RIB) with engines, 2 binoculars with 18x magnification, 2 binoculars with 15x magnification, 1 SLR camera, 1 lens (100-400mm), 1 lens (800mm), 2 handheld GPS units, 4 handheld 2-way VHF radios and Laptops.

With these additional resources for monitoring, control, and surveillance, the METT scoring improved. The final section of the METT assesses the availability of equipment and budget necessary to effectively monitor the implementation of management plans. The acquisition of

these assets has thus positively impacted the METT scores, indicating better capacity for effective management of the protected areas.

PDO2: Share of key demersal indicator species stable or rebuilding in the Mahé Plateau fisheries

Overview

The second indicator measures the improved management of fisheries, supported by component 2. This indicator is directly related to the first indicator of the SWIOFish3 Program: the "status of fish stocks." It serves as a proxy for assessing the health improvement of the main artisanal fisheries in Seychelles, specifically the Mahé Plateau fisheries. Enhancing the health of these fisheries is the primary environmental outcome of the improved fisheries management measures that the project aims to implement.

Methodology

The project supported a consultancy to assess the key fish stocks of Seychelles' artisanal trap and line fishery. The assessment used catch assessment surveys, vessel monitoring data, and biological information to evaluate the health of key species.

To ensure consistency, catch-per-unit-effort (CPUE) was standardized across different fishing methods:

- **Static traps**: measured in kilograms per trap
- **Active traps:** measured in kilograms per trap per hour
- **Handlines:** measured in kilograms per man per hour

Daily CPUE data were averaged for each species group, gear type, and fleet across various months and landing sites, and then transformed using a log10 scale for easier analysis.

The species assessed for this indicator were aggregated into species groups at the family level, ensuring a comprehensive understanding of the stock status.

This thorough analysis, covering data from 1990 to 2019, provided valuable insights into the stock status of key artisanal fisheries on the Mahé Plateau.

Results

The stock assessment survey report, published in December 2021, indicates that all species and relevant species groups exhibited stable or increasing CPUE between 2017 and 2019. The full report is available at: Assessing Key Fish Stocks of Seychelles Artisanal Trap and Line Fishery.

Results Attribution

1. **Development of Harvest Strategy Policy and Management Standards:** The project facilitated the creation of a Harvest Strategy Policy and Management Standards for Seychelles' Fisheries. This included the establishment of frameworks for fisheries management decisions, covering monitoring, stock assessment, reference points, harvest control rules, and management strategy evaluation. The policy, grounded in the precautionary principle, addressed overfishing risks, even in data-poor scenarios, and laid the foundation for decision control rules and rebuilding overfished stocks

2. **Implementation of the Mahé Plateau Co-Management Plan:**
    - Liaison Officer Funding: The project funded a liaison officer who worked full-time with SFA to educate fishers and the public on the new measures under the Mahé Plateau management plan.
    - Capacity Building: Supported a Peer-to-Peer exchange visit to Sete and Shetland, providing capacity building for the Steering Committee members and fishers' organization representatives involved in co-managing fisheries.
    - Technical Assistance and Secretary Funding: Funded the Technical Assistant and Secretary for the Implementation Co-management Committee (ICCP) for the Mahé Plateau Management Plan.
    - Communication Strategy Development: Funded the development of a communication strategy and plan for the management measures of Mahé Plateau fisheries.
3. **Fisher Training:** Supported training for fishers through the Seychelles Maritime Academy on fisheries management.
4. **Legal Assistance for Fisheries Modernization:** The project funded legal assistance to modernize Seychelles' fisheries legal instruments, focusing on updating the Seychelles Fisheries Act 2014 and its regulations to enhance the legal framework for sustainable fisheries management.

PDO3: Ratio between consumer price per kilogram and landed catch price per kilogram in artisanal fisheries

Overview

The PDO3 which measures the ratio between consumer price per kg and landed catch price per kg in artisanal fisheries. At the time of project conception, little value was being added to the seafood produced from artisanal fisheries in Seychelles, fish were mostly being sold fresh with little transformation to the end consumer and tourism establishments (restaurants and hotels). It was anticipated that under component 3 of the SWIOFish3 project (principally through the BIF), Seychellois entrepreneurs interested in venturing if fishery value chain related businesses will be supported to test either test their business idea, develop new value-added products, and receive funding (under the BIF) which will lead to job creation and increasing wealth for Seychelles.

Methodology

This indicator measures the differences in price between landed catch (prices before value is added) and the local consumer price (prices after value addition) of the most processed fish species, to denote the highest value addition process and to reflect evolution of the value chain. See below for the formula used.

$$\textit{Local Consumer Price (SCR/KG)} - \textit{Landed Catch Price (SCR/KG)} = \textit{Increase in price}$$

$$\textit{\% increase} = \frac{\textit{Increase in price}}{\textit{Landed catch price}} \times 100$$

- Data source for landed catch Price

Landed catch price (SCR/KG) was taken from the Statistical Section of the SFA. SFA obtains this information directly from fish processor who provides SFA with data on how much they pay per kg of fish (by species) and a general average.

- Data source for local consumer price

The local consumer price (SCR/KG) for value added products was obtained through a price survey of all fish processing outlets, shops and supermarkets selling fish value added products. To facilitate this survey, SFA provided the PIU with the names and address of all outlets selling processed fish. Each outlet was surveyed to ensure comprehensive data collection and accuracy of the findings.

The MES conducted the survey over two days in April at the various fishery outlets. The price per kilogram for different fish species and products were collected. However, as per the guidelines in the Project Implementation Manual, only the prices of high-value products were reported for this indicator.

Results

From all the data collected, the four most processed fish species (obtained from artisanal fisheries) were selected which also had the highest value. These are the Red Snapper, Job, Varavara and captain rouge. Refer to Table 11 and Table 12 below for local average consumer price per species per product. From data obtained from the consumer price survey, it was evident that some of the most processed products (that is Fish balls, burgers and fish fingers) was made from a variety of species. Given the importance of these products in showing the evolution of value chains the price per kg for those products has been compared with the average landed price of fish provided by SFA.

Table 11:Local Consumer Price (SCR/kg)

Value Added Product	Red Snapper (SCR/kg)	Job (SCR/kg)	VaraVara (SCR/kg)	Captain Rouge (SCR/kg)
Fish fillet	342.31	196.89	175	172
Fish steak	180.89	120	120.28	120
Fish kebab		123.34		
Average[3]	261.6	146.74	147.64	146

Table 12: Local Consumer Price for value added products made from mixed species

Value Added Product	Mixed Species (SCR/kg)
Fish Balls	127.07
Fish Burger	121.71
Fish Fingers	130.00

The data received from SFA on the landed catch price per kg was analysed and extrapolated for the purpose of reporting on this indicator. Table 13 below shows the data for the landed catch price for the 4 selected species as well as the average price.

[3] Average consumer price per species.

Table 13: Landed Catch Price (SCR/KG)

Red snapper	Job	Varavara	Captain Rouge	Average
108.71	53	48.33	55	66.26

Using the formula stated in the methodology section the percentage increase was calculated by species and products, and also by species in general (using the average). Table 14 below shows the percentage price increase for value added products made from the four selected species.

Table 14: Percentage increase in price

Product	Red Snapper	Job	VaraVara	Captain Rouge
Fish fillet	215%	271%	262%	213%
Fish steak	66%	126%	149%	118%
Fish kebab		133%		
Average	141%	177%	205%	165%

It can be observed that filleting and packaging of fish is the process that adds more value to the fish (over 200% of value is added to all four selected fish species). This can be attributed to the fact that higher value cuts are made to make fish fillet. Overall, looking at the average percentage of price increase we can say that great value has been added to the species selected. Processors have managed to create greater value on the catch purchased. For instance, for red snapper, the average landed catch price paid by processors was SCR108.71 per kg. Following processing, red snapper are being sold at an average of SCR 261.60 per kg of fish sold. This shows an average increase of about 141%, which is above the 130% end project target. The same can be observed for Job VaraVara and captain rouge which has an average increase of 177%, 205% and 165% respectively.

Table 15 below shows the increase in price for products using mixed species. As previously stated, given the importance of showing the increase in more processing techniques the average catch price for all the fish species caught from artisanal fisheries and sold to fish processors was used (data obtained from SFA). On average through the production of fish balls, fish burgers and fish fingers 138%, 139% and 144% of value is added respectively. These products require greater level of processing techniques as it aims at utilizing leftover fish part (from filleting and portioning) which will otherwise not be used. It also focuses on utilising undervalued fish species which are usually sold at lower price per kg. Aside from the species previously analysed above fish balls, burgers and fish fingers also uses Karang, bekbek and bekin to specify a few.

Table 15: Percentage increase in price for products made by mixed species

Products	Mixed species
Fish Balls	138%
Fish Burger	139%
Fish Fingers	144%

In sum, the result shows achievements of the PDO3 which had an end target of 130% of value being added.

Results Attribution

The Project funded the Product development and quality assurance department within SFA with equipment's for the Post Harvest Lab. These were sausage filler, vacuum sealer and a blast freezer. The equipment had three main purposes.

i. **Fostering demand for value added fishery products**: The staff at the department made value addition products for the population to try and create a market for these products. This includes sausages, fish burger, fish balls and fish kebab. The staff participated at different large scale national events. Cooked sample of those products were made available for testing to create interest whilst the frozen packets were sold for testing at home (only to local consumers). The aim was to encourage people interested and go and buy these products in other fish shop.
ii. **Give greater value to fish species and parts previously being undervalued:** With the aim of decreasing Post Harvest fishery loss of previously undervalued species and those not really consumed by the local population. The Product development unit at SFA was using these fish species for creating value added products. This was shown to processors who were previously not purchasing these species. Data collected from the price survey shown that a more variety of species are being used to create value added products such as 'bekbek'.
iii. **Testing of new products:** Processors can come and use these machines to try out new value addition products, understand how the machine is used (before they make a purchase) and test new products ideas.

PDO4: Share of by-catch landed and sold in the Seychelles

Overview

The PDO4 which measures the Share of by-catch landed and sold in the Seychelles (%) is a proxy for the strengthening of value chains in Seychelles, supported through component 3 of the SWIOFish3 Project. By-catch (e.g. marlin, kingfish, rainbow runners, dorado) is produced by industrial and semi-industrial fishing boats and was insufficiently being used by the Seychellois industry. At that time, it was seen as one of the main future options for the expansion of value chains in the country and it was anticipated that the BIF will support Seychellois entrepreneurs investing in by-catch processing facilities. These investments will create jobs and increase revenues for the country.

Methodology

To report on this indicator, the below formula was used.

$$\frac{\textit{Total quantity of by-catch purchased in Seychelles}}{\textit{Total quantity of by-catch landed in Seychelles}} \times 100$$

- Quantity of by-catch purchased in Seychelles (by local businesses)

SFA provided the PIU with the names and contact details of businesses licensed to purchase and process bycatch. Meetings were then held by PIU with the businesses individually to explain the purpose of this indicator and formally request their annual volume data of by-catch purchases for the last three years (2020 to 2022) to facilitate reporting. Subsequently, businesses have been sending the annual detail yearly for both 2023 and 2024, to the PIU of the SWIOFish3 Project

- Quantity of by-catch landed in Seychelles

This data was obtained from SFA. The statistical section at SFA compiles data on the quantity of by-catch landed in Seychelles as reported by the different Fishing vessels. Data was obtained from 2020 to 2022 only as 2023 data was not yet available at the time of preparing this report and public.

Data Quality issues

The data underwent a thorough quality check based on the M&E Plan using the DQR Checklist. The review focused on completeness, reliability, validity, timeliness, accuracy, and precision. Two key issues were identified:

1. **Completeness of data**

The reported total quantity of bycatch landed in Seychelles was significantly lower than the volume purchased and used by local businesses. This discrepancy raised concerns about underreporting. The issue was brought to the attention of the Seychelles Fishing Authority (SFA) and the Department of Fisheries (DoF) for clarification and data verification. SFA acknowledged the underreporting problem and noted ongoing efforts to improve the quality of reporting by various vessels, although progress is still needed.

In 2023, the DoF facilitated a meeting with representatives of semi-industrial and industrial fishing vessels to address the issue. It was discovered that some vessels were only reporting bycatch related to tuna species, rather than all 14 species specified by the Indian Ocean Tuna Commission (IOTC). This selective reporting may have contributed to the underreporting of bycatch volumes. During the meeting, vessel representatives were informed that future reports must include bycatch from all species of fish, not just tuna. Additionally, an analysis was conducted to evaluate the percentage increase in the volume of bycatch landed and processed by local businesses to support reporting on this indicator.

Given this limitation, an alternate indicator was used to report on achievement of this PDO.

2. **Timeliness of data**

The data on the total quantity of bycatch is typically published with a one-year lag. This delay hinders the project's ability to analyse data for the year 2023 and assess whether there has been any improvement in the reporting of bycatch landed.

Results

The results of this objective will first be analysed using the PDO4 indicator as prescribed in the Project Appraisal Document (PAD), followed by an analysis using the alternative indicator.

Result as per the PAD Indicator

Based on the indicator stipulated in the Project Appraisal Document (PAD), the results indicate that more bycatch is being purchased by local businesses than what is recorded by fishing vessels (refer to Table 16 below). This discrepancy highlights a significant data limitation. Details on this issue and the actions being taken by Seychelles to address it have been discussed in the previous section. Due to the underreporting of bycatch landed, the share of bycatch results cannot be reliably used to report on this indicator.

Table 16: Share of landed Bycatch used locally

Year	Bycatch landed (kg)	Bycatch purchased by local businesses (kg)	Share of bycatch used locally
2020	1,343,699	3,736,880	278%
2021	2,009,302	4,863,036	242%
2022	3,858,962	6,367,528	165%
2023		10,443,131.50	

Alternative Indicator

As a replacement measure, the volume of bycatch purchased and used by local businesses for value addition over the last six years will be analysed. The assumption behind this approach is that an increase in the volume of bycatch being purchased by local businesses indicates that these businesses are gaining access to a greater share of the bycatch landed.

Table 17: Percentage increase in volume of bycatch purchased locally

Year	Volume (kg)	Percentage increase
2018	3,502,015	-
2019	3,660,605	5%
2020	3,736,880	2%
2021	4,863,036	30%
2022	6,367,528	31%
2023	10,443,131.5	64%

From 2018 to 2023, the volume of bycatch bought and processed locally have increased significantly with the most notable increase being in 2023 with an increase of over 64% (see Table 17). This shows that overall, the objective of SWIOFish3 project to increase the use of by-catch locally for value addition has greatly increased.

Results Attribution

i. The project funded the drafting of the bycatch policy for the Department of Fisheries. Although the policy itself had some limitations, the content of the report and the draft policy was used by the DoF when negotiating different Access Agreements. For instance, in the new licensing agreement the DoF negotiated on the minimum share of bycatch that should be made available on the local market.
ii. In the new Fisheries and Aquaculture Bill (funded under the project) provision has been made for management of bycatch. Bycatch fit for human consumption must be landed and not discarded at sea.
iii. One company who utilizes bycatch as raw material has benefitted under the BIF, for expansion of its processing facility through building a new fish processing facility.

PDO5: Share of citizens of the Seychelles who rate management of sustainable-use marine areas and selected fisheries as 'Satisfactory' or above (disaggregated by sex and age)

Overview

The PDO5 indicator evaluates the proportion of Seychelles citizens who rate the management of sustainable-use marine areas and selected fisheries as 'Satisfactory' or above, with results disaggregated by sex and age. This indicator reflects public perception of two key marine environment management strategies supported by the project: sustainable-use marine protected areas and fisheries management plans, particularly the Mahé Plateau fisheries management plan.

Methodology

To report on this indicator, the project engaged the University of Seychelles (UniSey) to conduct a perception study. The survey employed random sampling across the three most populated islands (Mahé, Praslin, and La Digue) to ensure statistical robustness. The survey design included a literature review, internal scrutiny, and two focus group discussions, followed by a pilot test. A team of 10 trained enumerators, including UniSey Environmental Science students and an alumnus, conducted the surveys primarily on weekends. Data collection was done using Kobo Toolbox and its Android application. The survey covered all 26 recognized districts in Seychelles, with samples stratified by age and sex. Out of 730 surveys collected, 674 were usable, yielding a 92% response rate.

For data analysis, the survey results were reported under the Seychelles youth category, which classifies youth as individuals aged 15 to 30 years. However, since the survey only included participants aged 18 and above, the youth category was defined as 18 to 30 years.

Results

Results from the Perception Survey conducted in 2022 indicate that approximately 70% of respondents rated Fisheries Management and Ocean Management as satisfactory. When disaggregated by gender, 73% of males and 69% of females rated these management areas as satisfactory.

Table 18: Share of Seychelles citizens who rate management of sustainable-use marine areas and selected fisheries as 'satisfactory' and above.

General	70%
Female	69%
Male	73%

Youth disaggregation

Table 19 below shows the perception of younger individuals regarding the effectiveness of the management of sustainable-use marine areas and selected fisheries. As illustrated, 73% of the youth sample rated the management of these areas and fisheries as satisfactory. When disaggregated by gender, there is minimal variance, with 75% of females and 71.3% of males rating the management as satisfactory.

Table 19:Share of youth Seychelles citizens who rate management of sustainable-use marine areas and selected fisheries as 'satisfactory' and above.

Youth satisfaction	73%
Female	75%
Male	71.3%

Results Attribution

i. The project financed the communication, awareness-raising and liaison officers to ensure that the population is engaged in the efforts undertaken by the Government and the trade-offs they entail

Reporting on the IRI level Indicators

To facilitate achievement of the PDO level indicators, several intermediate level indicators were identified in the project result framework. The tables below highlight project achievement.

Reporting on IRIs related to Component 1

Three IRI (1.1 1.2 and 1.3) were identified for component 1 in the Project Results Framework as illustrated in the below table. Out of the three indicators identified, IRI 1.1 and 1.2 have been achieved. IRI 1.3 which has not been met relates to the target of having three sustainable marine protected areas managed by non-state actors. Progress on this IRI was delayed due to delay in the general preparation and implementation of the management plans caused by COVID restrictions which made it difficult to organise stakeholder consultations.

Table 20: IRIs indicators relating to component 1

Indicator Name	End Target	Data Source/Methodology	Results
Name: 1.1 Area with submission for gazettment to the Parliament as a sustainable-use marine protected area with agreed-upon management plans developed in a consultative manner	10,000,000.00 Hectares	Review of official gazettes, management plans and consultations report for the management plans	41,000,000 area has been gazetted; however, the project is claiming attribution to 10,000,000 hectares.
Comments & Attribution of Results: The area has been demarcated and gazetted. The project funded the three management plans for the sustainable use zones which has been approved and endorsed by the responsible Minister (Minister Flavien Joubert, Ministry of Agriculture, Climate Change and Environment). The project is at least 10,000,000 hectares, supported by the following contributions: 1. Evaluation of Ecosystem Goods and Services: At the start, the project funded an evaluation of the ecosystem goods and services for the Seychelles' existing and proposed protected areas system, completed in April 2022. This study filled knowledge and data gaps on human uses, guiding the development of management plans for the newly designated areas. 2. Development of a Management Plan Framework for MSP: We developed a strategic framework for the MSP (Zone 1 and Zone 2 areas) through Dickon Howell Consulting, UK. The final framework, submitted in 2021, guided the development and implementation of management plans for the MPAs designated under the Seychelles MSP. Key objectives included: o Facilitating stakeholder agreement on defining spatially explicit management frameworks and units that are robust in ecological and socioeconomic terms, and practical in terms of institutional mandates and capabilities.			

- Producing a strategic framework for management plans that aligns with MSP and other policy objectives, ensuring economies of scale and efficient implementation.

3. Development of Management Plans for Sustainable Use Zones: The project funded the development of three management plans for sustainable use zones (Zone 2), including all necessary stakeholder consultations. The Sustainable Use Areas for which these plans were drafted by the C2O Fisheries team total 237,392 km², with specific areas as follows:
   - 217,589 km²: Amirantes to Fortune Bank Sustainable Use Area
   - 14,482 km²: Farquhar Archipelago Sustainable Use Area
   - 5,321 km²: Cosmoledo and Astove Archipelago

This consultancy work, conducted by C2O Fisheries, has been approved and endorsed by Minister Flavien Joubert, Ministry of Agriculture, Climate Change, and Environment.

4. National Text for Management Plans: Boilerplate texts, prepared by Ameer Ebrahim, Seychelles, were used as part of the management plan templates.

Name: 1.2 Annual air surveillance trips in sustainable-use marine protected areas	7	Data Provided by SFA Surveillance Unit	8
Comments & Attribution of Results: Although plan air surveillance trips and schedule are prepared by SFAs surveillance section, the actual schedule is dependent on the availability of aircraft by Seychelles People Defence Forces (SPDF). Often, when there are other emergencies (piracy, people or boat lost at sea etc.) or when there are shortages of aircraft air surveillance trip are reduced and cancelled. Given the limited control of SFA and the project on air surveillance, SFA was kin on increase sea surveillance as a more reliable way forward. To this vein, the project financed the SFA with the purchase of a surveillance vessel along with the necessary equipment's.			
Name: 1.3 Sustainable-use marine protected areas managed by non-state actors	3	Draft management plans signed by non-state actors	0
Comments & Attribution of Results: At the end of the project the non-state actors had been identified, and they were part of the stakeholder group involved in the consultation for the drafting of the co-management template. To note that the draft template has been shared for their review and input prior to the independent review being undertaken by and independent law firm. It is expected that signing of the co-management letters will be finalised in Q4 2024 and signing will follow.			

Reporting on IRIs related to Component 2

Three IRI were identified for component 2 in the Project Results Framework as illustrated in Table 21 below. Only indicator 2.1 which had a target of having five management plans under implementation has not been fully met. Two planned management plan which was expected to be implemented upon drafting of the result framework are:

i. Praslin Fishery Management Plan- Following throughout government consideration, this management plan was integrated in the co-management plan above to create the general Mahe Plateau Management Plan.
ii. Tuna Fishery- The draft management plan has been drafted under a SWIOFish3 consultancy and submitted to SFA in June 2024. SFA and Department of Fisheries will now be responsible for finalising and gazettement of the plan.

The remaining 2 IRI level indicator (2.2 and 2.3) has been achieved. Refer to the table below for more information.

Table 21: IRIs indicators relating to component 2

Indicator Name	End Target	Data Source/Methodology	Results
Name: 2.1 Fisheries management plans implemented	5	SFAs Fisheries Management Section	4
Comments & Attribution of Results: The following 3 are under implementation. 1. Sea Cucumber Fishery (individual quota allocation, licensing system of limited entry, fishing season)- The management measures and set of regulations under implementation were financed under one of the SWIOFish3 consultancy work. This was following a stock assessment made on this fishery under the SWIOFish3 project. 2. Mahe Plateau Trap and Line Co-management Plan (maximum fork length, restrictions on designated spawning sites, etc)- Launched in October 2021(Education and awareness phase) and enforcement as of October 2022. The project supported the Implementation of the plan by: a. Providing capacity building to the Committee members through a Peer-to-Peer exchange visit in Sete and Shetland, two countries that their fishery are being co-managed. b. Paid for the recruitment of a Liaison officer for Mahe Plateau Management Plan (consultant/ full-time to SFA) who were going to the different hotels, restaurants and landing sites to sensitize and educate about the new measures under the plan c. Funded the Technical Assistant to support the Co-management plan d. Funded the Secretary to the Implementation Co-management Committee (ICCP) for Mahe Plateau Management Plan e. Funded the development of the Communication strategy and plan for Mahe Plateau fisheries management measures.			

• Lobster Fishery (licensing system of limited entry, fishing season)- The management measures under implementation before SWIOFish3. • Spanner Crab license terms and condition (licensing system, gear specification, minimum size, 1 year license period, nationality of crew, maximum quota per license etc.)- The spanner crab license framework became under implementation from December 2023.			
Name: 2.2 Performance review of fisheries management plans	Yes	Review of meeting minutes for the Mahe Plateau Plan, and scientific and technical reports	Yes
Comments & Attribution of Results: Funded the Sea cucumber stock assessment and management advice as well as the Scientific design and analytical support for a fisheries-independent assessment of sea cucumber status. Data obtained was used to review management measures.			
Name: 2.3 Fisheries economic intelligence information publicly accessible	Yes	MOFBE website: https://mofbe.gov.sc/fiti/ and SFA website https://sfa-fims.traseable.com/public	Yes
Comments & Attribution of Results: Economic data has been made publicly available on the MOFBE and SFA website through the FiTI report and Fisheries Information and Management System (FIMS). 1. FiTI report includes data on fishing license issued, fishing efforts, annual retained catches, total value of export of fish and fish by-products, value of fuel subsidies for small scale fisheries and GDP contribution of this sector. SWIOFish3 financed the preparation of the first, second and third FiTI report. 2. Fisheries Information Management System is now available on the SFA website. This system enables the public to get access to economic information as well as information on how the fishery sector is being managed. The designing and setting up of the FIMS were financed under the SWIOFish3 project.			

Reporting on IRIs related to Component 3

For component 4, four IRI level indicators were identified (see Table 22 below). Out of which, indicator 3.1which relates to the Share of landed catch from domestic fisheries sold via auction was not achieved as feasibility study conducted for setting up the auction house was unfavourable. Hence this indicator was no longer relevant. Indicator 3.4 which had an end target of having 60% of the BIF fund committed has also not been

achieved. At the time of writing the report only 25% of the total BIF had been committed. Details on the challenges faced and upcoming projects was discussed at length in the Blue Bond section.

Table 22: IRIs indicators relating to component 3

Indicator Name	End Target	Data Source/Methodology	Results
Name: 3.1 Share of landed catch from domestic fisheries sold via auction	10%	N/A	0
Comments & Attribution of Results: This indicator is not measurable as Feasibility study for setting up the proposed auction house undertaken in 2017 was unfavourable. The feasibility was financed under the SWIOFish3 project.			
Name: 3.2 Food fish sold commercially from in-shore aquaculture	Yes	Production figures received from Aquaculture Department (SFA)	Yes
Comments & Attribution of Results: In 2023, prawns and shrimp from Coetivy island started commercialisation and was available on the local market. The project funded the fisheries and aquaculture bill which made new provision for aquaculture under Part V – Aquaculture, section 52 to 59. This piece of work sets the fundamentals for regulations to follow such as the Conditions for aquaculture licences. As a result of this new Fisheries and Aquaculture Bill changes had to be made in the regulations (including for Aquaculture) before companies could start applying for licenses. Although the amendments to the aquaculture regulation was not funded under the project, it was based on the new condition set in the fisheries and Aquaculture Bill which was fully funded by the SWIOFish3 project. IDC applied and received its aquaculture license following this.			
Name: 3.3 Proportion of landed catch from artisanal fisheries in labelling scheme	30%		0
Comments & Attribution of Results: SWIOFish3 funded a consultancy to write an option paper for setting up the labelling scheme. The options have been submitted to the ICCP who will discuss on the different option proposed and decide how to go about.			
Name: 3.4 Blue Investment Fund approval rate	60%	Credit Agreement signed between DBS and applicant.	25%
Comments & Attribution of Results: 3 loan applications have been approved by the DBS board. The first applicant didn't proceed with the loan for personal medical reason. The second applicant has proceeded to signing of the loan agreement committing 25% of the available fund and the third applicant has just received board approval. Drafting of the credit agreement is ongoing. See BIF section for progress update.			

Challenges faced in reporting on the IRI and PDO indicators

During the implementation of the SWIOFish3 project, several challenges emerged that impacted the ability to effectively monitor and report on key Intermediate Results Indicators (IRIs) and Project Development Objectives (PDOs). These challenges primarily revolved around data availability, the outcomes of essential feasibility studies, and delays in drafting critical management plans. Each of these factors played a crucial role in measuring project success and ensuring timely implementation. The following section outlines the specific challenges encountered and the strategies employed to address these issues, ensuring that the project's objectives could still be monitored and evaluated accurately.

1. **Data Availability and Quality:** The project faced challenges in measuring one of the key indicators due to the unavailability of accurate data on the amount of bycatch landed in Seychelles. Specifically, the amount of bycatch being landed locally was underreported, complicating the reporting for PDO4. To address this issue, an alternative indicator was developed. This new indicator still provides valuable insights into whether a greater volume of bycatch is being utilized locally
2. **Dependency on Feasibility Study Outcome:** One of the Intermediate Results Indicators (IRI) was dependent on the outcome of a feasibility study for establishing a fish auction house. However, the study concluded that setting up the auction house was not viable, leading to the decision not to proceed with this initiative. As a result, the related IRI could not be achieved.
3. **Delays in Drafting the Management Plan:** The drafting of a key management plan was delayed, which subsequently led to significant delays in the signing of the co-management template that was dependent on the completion of the management plan. This delay impacted the project's ability to achieve timely results and meet specific objectives. To mitigate this challenge, efforts were intensified to accelerate the finalization of the management plan. This included funding the drafting of both the management plan framework and the actual management plan for the sustainable use areas. Additionally, resources under Component 1 of the budget were reallocated to purchase equipment and gear necessary for monitoring the sustainable use areas once implementation commenced.

Other Project Results

Aside from the planned results, the project also brought about indirect results.

Capacity Building

- Enhanced Skills/Knowledge: The project facilitated capacity building, training sessions, attendance to workshops and on-the-job training opportunities for Seychellois in fields such as marine conservation, sustainable fisheries management, and data analysis to name a few. This not only improved the immediate capacity to manage marine resources but also ensured that the skills and knowledge gained will remain within the country, benefiting future projects and initiatives beyond SWIOFish3.
- Institutional Strengthening: Local institutions, especially government agencies have been strengthened through the project. Enhanced institutional capacities ensure better governance and management of marine and coastal resources in the long term.
- Professional development of PIU team: The PIU team consisted of three Seychellois women who have gained valuable experience in project management, procurement management, monitoring and evaluation (M&E), and environmental and social (E&S) principles. This experience will be beneficial for future initiatives. They acquired knowledge in their respective fields through hands-on experience, on-the-job training, and mentoring from World Bank (WB) experts. These trained professionals now have the capacity to transfer the knowledge they received into their future career paths.

Financial Management Capacity

- Enhanced Financial Management Skills: The project's finance team, including the accounting staff, participated in World Bank Financial Management System training. This exposure not only improved their skills in handling project funds but also provided them with a deeper understanding of World Bank financial management practices.
- Collaboration with Financial Specialists: Working closely with the World Bank financial specialist, the finance team gained hands-on experience and insights into effective financial management and reporting standards, enhancing their capability to manage future projects with similar financial structures.

Blue Bond Recognition

- Replication by Other Nations: The visibility and success of the Blue Bond encouraged other countries to explore similar financing mechanisms. Belize and Fiji, have issued their own Blue Bonds, demonstrating the project's broader impact on global sustainable financing trends.
- International Leadership**:** The success of the Blue Bond initiative positioned Seychelles as a leader in innovative sustainable financing mechanisms. This recognition has increased Seychelles' influence in international environmental and financial forums.

Research Data Utilization

- Informed Policy Making: The project funded extensive scientific research and studies such as different stock assessment, Blue Carbon assessment of Mangroves, climate change impact on the fisheries sector and the contribution of the Liveaboard and yachting industry to the economy to name a few. The data and findings from these

studies provide critical inputs for developing fact-based policies and regulations that enhance sustainable resource management.

- Baseline Data: The research conducted has established important baseline data for various marine ecosystems and fisheries. This data is invaluable for monitoring changes over time and assessing the impact of conservation measures.
- Collaborative Networks: The research initiatives fostered collaborations between local and international scientists, creating a network of expertise and knowledge exchange that will continue to benefit Seychelles' marine research and policy-making efforts.

These additional results highlight the broad and far-reaching impacts of the SWIOFish3 project, demonstrating how well-implemented projects can yield benefits beyond their initial scope and objectives.

Sustainability of project results

The sustainability of the SWIOFish3 project results is a central focus, with strategic measures incorporated to guarantee long-term benefits for the fisheries sector and marine ecosystems in Seychelles. The following approaches have been key to ensuring that the project's outcomes endure beyond its lifecycle:

1. **Institutional Strengthening and Capacity Building.** SWIOFish3 has invested significantly in enhancing the capacity of local institutions, particularly the SFA, MACCE, DBE and DoF, to manage fisheries resources and MPAs sustainably. Through targeted training, technical assistance, and resource allocation, these institutions are better equipped to maintain and expand the frameworks developed under the project. This capacity building extends co-management committees, which plays an essential role in fisheries governance.
2. **Stakeholder Involvement and Co-management.** One of the pillars of the SWIOFish3 project has been the promotion of stakeholder participation in fisheries management and management of MPA. The establishment of co-management structures, where fishers, NGOs and local communities are empowered to take an active role in decision-making and monitoring, ensures inclusivity. This shared responsibility promotes ownership, thereby enhancing the likelihood of sustained implementation of sustainable practices.
3. **Financial Mechanisms for Sustainability.** The BIF, established under the SWIOFish3 project, operates as a revolving fund. This structure ensures that financial resources are replenished and will continue to support projects that meet eligibility criteria. The BIF creates opportunities for ongoing investment in sustainable fisheries management, marine conservation, and livelihood diversification, thereby reinforcing long-term economic and environmental sustainability. While no new BGF calls for proposals are planned from Blue Bond proceeds, SeyCCAT remains fully operational and continues to provide grant facilities aligned with its five strategic objectives. SeyCCAT is committed to attracting new donors and leveraging additional international funding. This ongoing effort will ensure the continued provision of financial support for projects that promote sustainable fisheries, marine conservation, and the development of the blue economy in Seychelles.

4. **Environmental and Social Safeguards.** To continue the implementation of the safeguard requirements after project closure the project hired a consultant to assist in the first step of the process of establishing an environmental and social management system for DBS. This will allow DBS to continue with monitoring environmental and social performance for BIF funded projects and to allow DBS to access international funding sources related to sustainability. More importantly this will foster inclusion of E&S screening of all funding sources and not just for the BIF.
5. **Commitment of MDAs on equipment purchased.** The SWIOFish3 project has made significant investments in equipment and capital assets across various Ministries, Departments, and Agencies (MDAs). Prior to any purchases, discussions regarding long-term maintenance and usability of investments are conducted to ensure the strategic use of funds. A notable example is the acquisition of a surveillance vessel for the SFA. In this case, the SFA has taken on the responsibility for the vessel's operational requirements, including fuel and maintenance costs. This commitment is supported by a dedicated budget allocated within SFA's financial planning, guaranteeing that the vessel remains operational and continues to play a vital role in fisheries monitoring and enforcement activities.
6. **Asset Transfer and Accountability**: All assets purchased under the project were officially registered under the respective entities' asset lists. The Project Implementation Unit (PIU) ensured that these assets were accounted for during project closure, and asset transfer forms were signed by the relevant entities to confirm responsibility for their management and maintenance post-project.

Through these collective efforts, Seychelles has established a strong foundation for the enduring sustainability of outcomes. The project's approach to sustainability is rooted in strengthened institutional capacity, financial mechanisms, stakeholder involvement, and alignment with national policies.

Communication of Project results

Effective communication of project results is crucial for ensuring transparency, engaging stakeholders, and fostering public awareness about the project's impact. Throughout the SWIOFish3 project, several strategic communication initiatives were undertaken to share key achievements, address public inquiries, and highlight the importance of sustainable fisheries management. This section outlines some of the various communication efforts made to disseminate the project's results to a wide audience.

1. **SWIOFish3 Communication Video:** A dedicated video was produced to communicate the results and impact of the SWIOFish3 project. This video was shared across various platforms to reach a broad audience, highlighting key achievements and the project's contribution to sustainable fisheries management. The video can be viewed on the following link: https://youtu.be/zna9_i9b4DY
2. **Participation in Bonzour Sesel TV Programme:** The project team participated in the "Bonzour Sesel" TV programme, a live interview session where viewers could send in their questions and request clarifications in real-time. This interactive platform allowed for direct engagement with the public, addressing concerns and providing detailed explanations about the project's outcomes.

3. **Recorded Interview for News Section:** A recorded interview was conducted for the news section, providing another avenue to share the project's progress and results with a wider audience. This interview was featured in news broadcasts, ensuring that key messages reached the general public and stakeholders.
4. **Participation in the 10th Edition of the GEF Biennial International Waters Conference (IWC10) in Punta del Este, Uruguay:** The SWIOFish3 project was represented at this international event, where the project's results and lessons learned with a global audience of water and environmental experts.
5. **Funding a Communication of SWIOFish3 Results Consultancy**: A consultancy was funded to focus on summarizing the results of the SWIOFish3 consultancies into one- to two-page summaries and creating communication materials for SWIOFish3's participation in the 2023 Marine Symposium.
6. **Partnership with UniSey for the first Seychelles Marine Symposium:** The SWIOFish3 project partnered with the University of Seychelles (UniSey) to organise the first Seychelles Marine Symposium. The event, held over two days, brought together experts, stakeholders, and the public to discuss marine conservation, sustainable fisheries, and the future of Seychelles' marine resources. One day was dedicated to SWIOFish3 scientific research presentations.

Lessons learned

The SWIOFish3 project provided valuable experiences and insights that can inform the planning and implementation of future projects. These lessons highlight key takeaways and offer guidance on areas that could be improved or leveraged in similar initiatives. Some of the key lessons learned are:

- **Importance of Early Stakeholder Engagement:** Engaging stakeholders early in the project lifecycle proved crucial in aligning interests and ensuring smooth implementation. Regular consultations helped to build trust and secure buy-in from key partners. It also ensured that project implementation was on track.
- **Flexibility in Project Design:** The ability to adapt project components in response to emerging challenges, such as developing alternative indicators and reallocating resources, was essential to maintaining momentum and achieving objectives.
- **Establishing Indicators:** The challenges faced due to inaccurate or incomplete data underscored the importance of investing in robust data collection and management systems from the outset. Research should be carried out during project inception on data quality before setting up of indicator Reliable data is vital for accurate monitoring and evaluation. In the same vein, conducting thorough feasibility studies before committing to specific project outcomes can prevent setbacks and ensure that resources are directed toward viable initiatives.
- **Timely procurement and implementation of key activities (especially when linked to a PDO):** The delay in implementing the Tuna management plan underscored the importance of establishing realistic timelines and proactively managing dependencies. Although the project consultancy responsible for drafting the plan has completed its work, additional government processes are still required before the plan can be implemented and enforced. This experience highlights the need for early action on critical deliverables to prevent downstream delays and ensure achievement of project objectives.

- **Strengthen Institutional Capacity:** Investing in capacity-building for local institutions is key to sustaining project outcomes beyond the project's lifespan. Future projects should allocate resources to training and technical assistance.
- **Plan for Flexibility in Budget Allocation:** Allowing for some flexibility in budget allocations can enable quicker responses to unforeseen challenges, such as reallocating funds to critical areas like monitoring and equipment procurement.
- **Develop Contingency Plans:** Future projects should include contingency plans for critical activities, such as drafting management plans, to ensure that delays in one area do not cascade and affect the overall project timeline.
- **Having a fully functional project implementation unit:** The success of the SWIOFish3 project underscored the importance of having a fully functional project implementation unit (PIU). A well-resourced and effectively managed PIU is crucial for coordinating activities, ensuring adherence to timelines, and managing complex project components.
- **Assessing Readiness at Project Inception:** The SWIOFish3 project highlighted the importance of thoroughly assessing readiness at the project's inception. Ensuring that all necessary legal frameworks, resources, and stakeholder commitments are in place before the project begins is essential for smooth execution. A comprehensive readiness assessment can help identify potential bottlenecks early, allowing for proactive measures to address them and reducing the risk of delays or implementation challenges.

Whenever the project had the chance, lessons learned were shared and communicated both nationally and internationally, fostering knowledge exchange and contributing to broader capacity-building efforts in similar initiatives.

Conclusion and Recommendations

Based on the findings and discussions throughout the SWIOFish3 project, several specific, actionable recommendations have emerged. These recommendations are intended to guide the project stakeholders in ensuring the sustainability and long-term impact of the project's outcomes.

1. **General recommendation**
    a) Promotion of the BIF: Given that the Blue Investment Fund (BIF) is a revolving fund, continued promotion is crucial for its success. It is recommended that both the government and the Development Bank of Seychelles (DBS) sustain their efforts in communicating the benefits of the BIF to potential applicants to increase uptake.
    b) Addressing barriers to BIF uptake: It is recommended that the government addresses the barriers identified in the report to enhance the uptake of the BIF. This includes ensuring that all investors in Zone 14 (Ile du Port) receive their lease agreements, enabling them to move forward with their projects
    c) Communication of Consultancy findings: The SWIOFish3 project has funded numerous consultancy studies that have identified opportunities within the fisheries value chain industry, including the Post-Harvest Fish Loss study. It is recommended that these opportunities be communicated locally to national investors to encourage entrepreneurship and the development of new business ventures.

d) Strengthen Bycatch Reporting and Monitoring: To address the significant underreporting of bycatch in Seychelles, it is recommended that the SFA and the DOF

- Enhance Reporting Requirements: Ensure that all vessels, both semi-industrial and industrial, report bycatch from all 14 species as specified by the Indian Ocean Tuna Commission (IOTC). This will require updating and strictly enforcing reporting guidelines to prevent selective reporting.
- Strengthen Data Verification: Develop a more robust data verification system that includes cross-referencing reported bycatch with the volumes processed by local businesses. This will ensure that discrepancies are promptly identified and addressed.
- Provide Capacity Building & Training: Provide targeted training for vessel operators and crew on the importance of accurate bycatch reporting, including the legal and ecological implications of underreporting. This will help ensure compliance with reporting requirements.
- Establish Monitoring Framework: Establish a monitoring and evaluation framework that regularly assesses the effectiveness of the reporting improvements and makes adjustments as needed to maintain accuracy in bycatch data.

2. **Department of Blue Economy:** Given that the SWIOFish3 project was under the umbrella of the DBE, it is recommended that the department undertake the following activities.

a) Timely Recruitment of the ESS: It is recommended that the DBE expedite the recruitment of the Environmental and Social Safeguards (ESS) specialist within the department to support Blue Bond-funded projects starting from November 2024, following the dismantling of the PIU. (Refer to the post-project arrangement for details on this requirement).

b) Monitoring and Evaluation: It is recommended that the DBE establish a robust framework for ongoing monitoring and evaluation of the project's outcomes, particularly those that will become more apparent over the long term. This includes setting up mechanisms to track key indicators, ensuring consistent measurement and reporting of progress. Adequate resources should be allocated to support the monitoring of long-term results, especially for components like the Blue Investment Fund (BIF), where loan uptake is only beginning to materialize. Continued technical support is crucial for capturing and sustaining the long-term benefits of these initiatives.

c) Tuna Management Plan Implementation: It is recommended that the DBE collaborate closely with relevant government agencies (DOF and SFA) to ensure the full implementation of the Tuna Management Plan. This includes staying informed on the necessary government processes required to finalize and enforce the plan, ensuring all steps are completed promptly to achieve the desired project objectives.

d) Communication of Project Results: It is recommended that the DBE prioritize the effective communication of the SWIOFish3 project results to all stakeholders, including government agencies, funders, local communities, and the public.

Tailored communication strategies should be adopted to ensure that the achievements, challenges, and lessons learned are shared clearly and accessibly. This includes engaging with local communities through workshops and presentations and utilizing various media platforms to reach a broader audience.

3. E&S safeguard related recommendations

a) Tuna management Plan and Tuna Management Framework: MFBE and SFA should ensure the finalisation of the draft management plan and full implementation of the plan in a timely manner. To this end, it is recommended that a Social Impact Assessment (SIA) is prepared for this plan and also ensure integration of the recommended measures into government processes.

b) Mahe Plateau Co-Management Plan: It is recommended that MFBE and SFA ensures that social measures recommended in the SIA are integrated into the Co-management plan and integrated into government processes.

c) Sustainable use Management Plans (SMPs): It is recommended that MFBE and SFA ensures that social measures recommended in the SIA are integrated into the management plans and integrated into government processes

Annexes

Annex 1: Intermediate Results Indicator list

Indicator Name	End Target
1.1 Area with submission for gazettment to the Parliament as a sustainable-use marine protected area with agreed-upon management plans developed in a consultative manner (hectares)	10,000,000
1.2 Annual air surveillance trips in sustainable-use marine protected areas (Number of trips)	7
1.3 Sustainable-use marine protected areas managed by non-state actors (Number)	3
2.1 Fisheries management plans implemented (Number)	5
2.2 Performance review of fisheries management plans (Yes/No)	Yes
2.3 Fisheries economic intelligence information publicly accessible (Yes/No)	Yes
3.1 Share of landed catch from domestic fisheries sold via auction (%)	10
3.2 Food fish sold commercially from in-shore aquaculture (Yes/No)	Yes
3.3 Proportion of landed catch from artisanal fisheries in labelling scheme (%)	30
3.4 Blue Investment Fund approval rate (%)	60

Annex 2: Summarised results of the PDO indicators

Project Development Indicator	**End target**	**End Results**
PDO1: Sustainable-use marine protected areas with a Management Effectiveness Tracking Tool (METT) score of 50 or higher (ha)	50	65
PDO2: Share of key demersal indicator species stable or rebuilding in the Mahé Plateau fisheries (%)	55%	100% all stock rebuilding
PDO3: Ratio between consumer price per kilogram and landed catch price per kilogram in artisanal fisheries (%)	130%	172%
PDO4: Share of bycatch landed and sold in the Seychelles (%)	50%	165%
PDO4 (Alternate Indicator): Increase in bycatch purchased and used by local processors		64%
PDO5: Share of citizens of the Seychelles who rate management of sustainable-use marine protected areas and selected fisheries as 'Satisfactory' or above (disaggregated by sex and age) (%)	50%	**Disaggregated by Gender:** 73% of male and 69% of females **Disaggregated by Youth**: 71.3% male and 75% female

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