

PROTECTED AREA SYSTEM

Lifeweb Recipient Expression of Interest

COUNTRY	Federated States of Micronesia (FSM), Republic of the Marshall Islands (RMI), and Republic of Palau (ROP)
REQUEST	US\$11million (US\$6 million for the MC endowment; US\$5 million for activities)
DURATION	5 years; US\$7million in Year 1 (US\$6 million for the MC endowment, estimated US\$1million for support of activities); estimated US\$ 1 million for Years 2-5 (for support of activities)
ELEMENTS	The elements to be supported are identified in the Project-scale Expression of Interest entitled “The Micronesia Challenge: Management of Strategic Areas for Island Conservation (MOSAIC) (Annex 2)

1. FINANCIAL GAP

Budget Required	US\$5 - 10 million annually; with an estimated endowment target of US\$50-100 million corpus	Initial estimates provided by the respective MC jurisdictions include (all figures in millions): RMI \$2.766 establishment, \$2.611 recurrent FSM \$1.171 establishment, \$3.033 recurrent Palau \$2.380 establishment, \$2.380 recurrent These figures are now being adjusted downwards and assembled into a single sustainable finance plan for the entire Micronesia region as part of ongoing project MC Business Plan for Sustainable Financing of the Micronesia Challenge. The exact amount will be available by April 1, 2010 and is expected to be within the \$5-10 million range based on endowment target guidelines of approximately \$50-100 million corpus with 5% annual disbursement and 50:50 national and international contributions. The adjusted annual budget will encompass all establishment and recurrent costs through 2020, when effective conservation of 20% terrestrial and 30% marine resources is achieved. Per Objective 2 of the Project-scale Expression of Interest entitled “The Micronesia Challenge: Management of Strategic Areas for Island Conservation (MOSAIC) (Annex 2), this amount refers to improving and expanding resilient, ecosystem-based, protected areas networks in the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), and the Republic of Palau (ROP) to conserve biodiversity and contribute towards climate change adaptation.
Current Budget	US\$2.5 - 5.0 million	Each of the three countries encompassed within this proposal have provided initial estimates of current annual budgets. Again, these are preliminary

	<i>annually; the investment portfolio of the MC endowment is currently US\$1.8 million</i>	figures to be refined as part of and ongoing project to be complete by April 1, 2010. These initial estimates of current budgets include (all figures in millions): <table><tr><td>RMI</td><td>\$2.000</td></tr><tr><td>FSM</td><td>\$0.518</td></tr><tr><td><u>Palau</u></td><td><u>\$3.370</u></td></tr><tr><td>Combined</td><td>\$5.888</td></tr></table> Regarding the capitalization of the MC endowment fund, the US\$ 6 million requested in the Project-scale Expression of Interest entitled “The Micronesia Challenge: Management of Strategic Areas for Island Conservation (MOSAIC) (Annex 2) will leverage an additional US\$ 5 million from a recently submitted full-scale regional project funded by the Global Environment Facility entitled: Micronesia Challenge: Sustainable Finance Systems for Island Protected Area Management and US\$6 million pledged for sustainable finance of the MC from The Nature Conservancy and Conservation International (US\$3 million each).		RMI	\$2.000	FSM	\$0.518	<u>Palau</u>	<u>\$3.370</u>	Combined	\$5.888
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Total Funding Gap	<i>US\$2.5 - 5.0 million annually; US\$48.2 – 98.2 million for the endowment corpus</i>	To be met by domestic sources:	In addition to domestic sources, the \$6 million contribution to the endowment will leverage an additional \$12 million for a total of \$18 million out of an estimated \$50-100 million total needed to fully meet the needs of the MC endowment. The Micronesia Conservation Trust (MCT) will also provide at least \$1 million dollars annually in matching funds.								
		\$5.888 million (estimate)									
		Requested from international donors: US\$11million (US\$6 million for the MC endowment; US\$5 million for activities)									

- * Please indicate amounts on an annual basis for 1 to 5 years. To extent possible, indicate recurring and non-recurring expenses. You are welcome to include additional tables and/or annex relevant supporting documents. To the extent possible, please draw directly from sustainable financial plans completed as per [Activity 3.4](#), as well as other protected area system planning inputs that identify financial implications for ecological gaps, management effectiveness and capacity development and other plan listed in question 3 below, as per the CBD [Programme of Work on Protected Areas](#).

2. ECOLOGICAL PRIORITIES

Please annex map(s) and/or list of the existing protected area system as well as the priority areas to be created for greater ecological representativeness* if the funding gap is addressed.

Please refer to **Annex 1 & Annex 2** from the Project-scale Expression of Interest entitled “The Micronesia Challenge: Management of Strategic Areas for Island Conservation (MOSAIC)

* To extent possible, please draw directly from the Ecological Assessments completed as per [Activity 1.1](#) in the CBD [Programme of Work on Protected Areas](#).

3. SUPPORTING ASSESSMENTS AND PLANS

Please indicate the status of completion of the protected area system analyses that are called for by the CBD [Programme of Work on Protected Areas](#) and annex those that have been completed as supporting documents.

Protected Area System Assessment and Planning	Programme of Work on Protected Areas activity #	Status of completion Please indicate 1-5 1 = Just started 2 = Fully underway 3 = Almost completed 4 = Completed 5 = Plan developed	Annexed Please indicate all that apply
Ecological Gaps	1.1	3	Project Scale Annex 7
Integration and Connectivity	1.2	1	
Transboundary Protection	1.3	0	
Protected Areas Threats	1.5	2	Project Scale Annex 7
Costs and Benefits	2.1	1	
Governance	2.1	3	
Participation	2.2	3	
Policy Environment	3.1	3	
Protected Areas Values	3.1	2	See #4 below
Capacity Needs	3.2	4	Available by Request
Sustainable Financial	3.4	3	Available by Request
Communication and Outreach	3.5	3	
Management Effectiveness	4.2	2	
Research Needs	4.3	2	

4. SUPPORTING INFORMATION ABOUT PROTECTED AREA VALUES

Please briefly indicate available information about the value of protected areas in your country to climate change [mitigation](#), [adaptation](#), and [sustainable livelihoods](#). You are welcome to annex any existing supporting documents.

Micronesia's highly diverse natural resources represent the capital for the local people, who serve as the traditional stewards of their land and sea. With over a half million people spread over 6.7 million square kilometres of ocean, the Micronesia region constitutes more than 20% of the Pacific Island region. Home to at least 66 known threatened species and 60% of all known corals, the annual net benefits from coral reefs in terms of fisheries, tourism, coastal protection and biodiversity, to the Pacific as a whole is estimated at \$2 billion, with approximately \$800 million worth

of benefits annually distributed across Micronesia.

In 2004, ROP completed a Palau Tourism Economic Valuation Survey and details can be found at http://www.spc.int/prism/country/pw/stats/PalauStats/Publication/palautouriam_rpt.pdf

More information can be found at the following links:

<http://palau.chm-cbd.net/>

<http://www.cbd.int/doc/world/mh/mh-nr-02-en.pdf>

<http://www.cbd.int/doc/world/fm/fm-nr-02-en.pdf>