



<b>1. Project Data:</b>		<b>Date Posted :</b> 06/28/2001	
<b>PROJ ID:</b> P002383		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Env/transport	<b>Project Costs (US\$M)</b>	7.0	6.33
<b>Country:</b> Seychelles	<b>Loan/Credit (US\$M)</b>	4.5	4.41
<b>Sector(s):</b> Board: TR - Central government administration (54%), Roads and highways (39%), Aviation (5%), Water supply (2%)	<b>Cofinancing (US\$M)</b>	2.5	1.92
<b>L/C Number:</b> L3551			
	<b>Board Approval (FY)</b>		93
<b>Partners involved :</b> GEF, Dutch TF, GoS	<b>Closing Date</b>	06/30/1997	12/31/1999
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
The overall objective was to improve the basis for sustained growth of tourism while preserving or restoring environmentally sensitive areas within the framework of the Environmental Management Plan for Seychelles of 1991 (EMPS). The environmental objective covered natural resource management, biodiversity conservation and marine pollution abatement. The transport objective covered improvement and safety of roads and airport improvements .			
<b>b. Components</b>			
There were nine components under the two subsectors as follows :			
<b>Environment</b> (57% of costs)			
<ol style="list-style-type: none"> <li>1. Praslin Water Supply II (IBRD)</li> <li>2. Water Resources Study and Management Plans for Outer Islands (IBRD)</li> <li>3. Marine Resources Management Plans (IBRD)</li> <li>4. Organizational Study of the Division of the Environment (IBRD)</li> <li>5. Biodiversity Conservation and Marine Pollution Abatement (GEF) <ul style="list-style-type: none"> <li>• Restoration and Conservation of Aldabra Ecosystem</li> <li>• Protection of Sea Turtles</li> <li>• Abatement of Marine Pollution</li> </ul> </li> </ol>			
<b>Transport</b> (all IBRD - 43% of costs)			
<ol style="list-style-type: none"> <li>1. Praslin Road Improvement</li> <li>2. Praslin Airport Improvement</li> <li>3. Road Traffic Safety Program for Mahe</li> </ol>			
<b>c. Comments on Project Cost, Financing and Dates</b>			
The Dutch Trust Fund for US\$0.5 million equivalent was signed in May 1994 and administered by the Bank under this project. It supported implementation of the EMPS and biodiversity conservation in six focus areas . The GEF Biodiversity Conservation and Marine Pollution Abatement Project was approved in January 1993 and completed in December 1997, two years before the main project was complete . It was the subject of a separate ICR and ES review of 08/18/1998.			
<b>3. Achievement of Relevant Objectives:</b>			
The three transport components and the Praslin island water supply were satisfactorily completed and significantly facilitated growth of tourism, particularly on Praslin . The environmental objectives were only partially achieved and two (the water resources and marine resources management plans ) were dropped.			
<b>4. Significant Outcomes/Impacts:</b>			
<ul style="list-style-type: none"> <li>• The Bank's funding enabled government to operationalize selected aspects of the EMPS and leveraged additional investment. Its financial covenants have led to greatly improved fiscal transparency of the Public Utilities Organization.</li> <li>• One of the biggest benefits of the project was to provide scarce foreign exchange to enable significant upgrade</li> </ul>			

and increased reliability of infrastructure . It also induced increased operational revenues for Praslin airport . The funds released by dropping two environmental components - water resources and marine management planning - were used to provide improved water supplies in the water-short area of Baie Lazare in south Mahe benefiting both locals and the tourist industry on which many depend .

- The GEF component rejuvenated the conservation infrastructure of Aldabra Atoll ( a World Heritage site and the Indian Ocean's equivalent of the Galápagos Islands of the Pacific Ocean ). It also enabled a massive culling of exotic feral goats that compete with the giant Aldabra tortoise for food resources, as well as monitoring, evaluation and policing of rare and endangered mammals and avian species . The sea turtle component led to legislation banning trade in turtle products and enabled retraining of artisans .
- The Dutch TF supported a number of small-scale conservation efforts - but of variable effectiveness .
- Reports outlining the issue and options for abating marine pollution have raised the awareness of its importance and a limited quantity of equipment to deal with accidental spills was provided .
- The organizational recommendations for the Division of Environment were not accepted by government although they have influence subsequent organizational improvements .

#### 5. Significant Shortcomings (including non-compliance with safeguard policies):

- The dropping of the water resources and marine management studies is an indication that the Bank was out of touch with the client, particularly as the marine management plan was supported by a DFID grant soon after Bank approval of the project .
- While the dropping of the water resources study was sensible move given its high costs and the willingness of the private sector (e.g. hotels) to invest in augmenting water supplies, it again indicates that Borrower ownership was low .
- The project did not generate a sustainable solution to the management of the Aldabra Atoll . Feral goats were not eliminated and the residual population is again increasing . Management of the Seychelles Island Foundation which manages the Atoll was only marginally improved and while a long-term strategic management plan was produced it has not been implemented due to tensions among the management committee some of whom favor a strict isolation policy while others favor a more pragmatic eco-tourism policy .
- New building and support infrastructure on the World Heritage site was not undertaken in an environmentally sensitive way .
- A national approach to marine pollution abatement is not yet in place because of high investment costs for land-based collection facilities, multiple institutional responsibility and unclear direction from government .
- Frequent turnover of the few skilled and experienced counterpart staff made project management difficult, and this was not helped by five changes of Bank Task Manager and AFR regional reorganization .
- Ensuring compliance with the Bank's procurement policies was difficult given the few civil works contractors and the use of forced account work by government departments .
- The many differing components made this a "Christmas tree" project that was hard to supervise effectively .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Moderately Unsatisfactory	Only some of the key objectives were fully achieved.
<b>Institutional Dev .:</b>	Substantial	Modest	Institutions to manage marine pollution and Aldabra Atoll are only partially effective. Institutional upgrade of Dept of Env was not implemented. Reform of PUC accounting was only partially achieved .
<b>Sustainability :</b>	Likely	Likely	High borrower ownership of those items that were completed.
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Unsatisfactory	

NOTE: ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

#### 7. Lessons of Broad Applicability:

- Any civil works, building or related infrastructure within World Heritage Sites should be planned and implemented (i.e. also considering service provision, access and on-site storage) in an environmentally and culturally sensitive way according to green accounting principles to minimize environmental impact .
- Bank assistance to World Heritage Sites should be designed to facilitate long-term and sustainable management and ensure that the balance between scientific conservation objectives on the site is linked to global research institutions, a broader regulatory regime (in this case better marine pollution prevention and anti-poaching measures), and eco-tourism development to enable financial viability of investments made .
- Local capacity in small island communities may be a major constraint to the Bank's development assistance and great care should be given to build local capacity either before or early in project implementation .

**8. Assessment Recommended?** ☒ Yes ☐ No

**Why?** The GEF components are among the first to be piloted through the Bank and lessons drawn will have universal application to similar island economies where sound environmental management underlies essential foreign exchange earnings. The lessons from government partnerships with NGOs to assist capacity building and environmental management are worthy of examination.

**9. Comments on Quality of ICR:**

Somewhat terse and lacking in information necessary to fully illustrate design and implementation issues /problems. In this case the ICR prepared for the GEF component provided much of the information needed to draw evaluative judgements, as did the project files. The ICR did not contain the Aide Memoir, a statement of compliance with covenants is missing and no ex-post economic or financial analysis was done of the infrastructure components . There is no discussion of future operation .