

Audit of the Balhaf Headland Marine Area Biodiversity Action Plan

I the undersigned, as an approved VCA Auditor, have reviewed the Balhaf Marine Area Biodiversity Action Plan, produced by the Yemen LNG Company, dated May 2015. The Audit follows the protocol as prescribed in the VCA Standard, dated March 2015.

1. **Overview of the Conservation Area:** The Summary of the Biodiversity Action Plan provides a comprehensive description of the planned actions. The Plan is illustrated by maps and satellite photos and the size of the area as well as geographical coordinates are given.
2. **Biodiversity Baseline Conditions:** The plan is based on an extensive science-based monitoring program where the areas biodiversity with a focus on the coral reefs are given. The monitoring programs include descriptions of habitats and species. The Plan describes the links between biodiversity and ecosystem services particularly in terms of the links to commercial fishing in the areas surrounding Balhaf. The Plan describes recent significant changes in the biodiversity due to region-wide bleaching phenomena. The Plan refers to sources describing in detail the built infrastructure in the area.
3. **Conservation Impact Assessment:** The Plan identifies sufficiently and assesses strengths and weaknesses with respect to maintaining or improving the conservation status of the Balhaf Marine Area. The poaching that seems to be going on is a matter of concern and more efforts need to be focusing on eliminating this. The broader picture including the political situation in the country is obviously a matter of concern for the future. The SWOT Analysis addresses the management of the coral reef habitats and their links to the production of living natural resources inside and outside of the boundaries of the Marine Area. The Plan describes impact assessments to be carried out, which are compatible with IFC Performance Standards.
4. **Conservation Area Actions & Monitoring:** The Plan includes actions aimed at minimizing negative effects of industrial activities and enhancing positive impacts, strengths and opportunities. The planned actions are consistent with the biodiversity mitigation strategies as set out in IFC PS6. The actions address conservations priorities within the area to be registered as a VCA. The planned monitoring program for reefs and fish in combination with permanent monitoring of water temperatures will enable a sufficient and scientifically sound check of the status of the marine environment.
5. **Overall Assessment:** The area was visited a few times during 2014 and several times during the last 8 years. During several occasions I have had a chance to interview staff of the YLNG HSE Department as well as the experts who have carried out the monitoring during the last 10 years. I have also several times visited the Balhaf Marine Area and done extensive snorkelling in the area. It is my conclusion that the planned actions are coherent, strategic and realistic. This in combination with the commitment from Company leads me to recommending the area to be registered as a VCA. The only reservations I have are related to the overall political situation in the country, which may make it impossible to manage the operations according to the plans.



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Approved VCA Auditor