

GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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General Project Information

Project Title

Safeguarding the future of Namibia's Protected Area Network through Financing4Future

Region

Namibia

GEF Project ID

11523

Country(ies)

Namibia

Type of Project

FSP

GEF Agency(ies):

WWF-US

GEF Agency ID

G0053

Executing Partner

The Ministry of Environment, Forestry and Tourism

Executing Partner Type

Government

GEF Focal Area (s)

Multi Focal Area

Submission Date

3/19/2024

Project Sector (CCM Only)

Taxonomy

Focal Areas, Biodiversity, Protected Areas and Landscapes, Terrestrial Protected Areas, Species, Threatened Species, Financial and Accounting, Conservation Trust Funds, Conservation Finance, Biomes, Grasslands, Climate Change, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Influencing models, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Stakeholders, Indigenous Peoples, Civil Society, Community Based Organization, Non-Governmental Organization, Type of Engagement, Consultation, Local Communities, Private Sector, Gender Equality, Gender Mainstreaming, Beneficiaries, Gender-sensitive indicators, Women groups, Sex-disaggregated indicators, Capacity, Knowledge and Research, Learning, Theory of change, Adaptive management, Indicators to measure change, Capacity Development

Type of Trust Fund

GET

Project Duration (Months)

60

GEF Project Grant: (a)

6,140,422.00

GEF Project Non-Grant: (b)

0.00

Agency Fee(s) Grant: (c)

552,638.00

Agency Fee(s) Non-Grant (d)

0.00

Total GEF Financing: (a+b+c+d)

6,693,060.00

Total Co-financing

37,830,161.00

PPG Amount: (e)

200,000.00

PPG Agency Fee(s): (f)

18,000.00

PPG total amount: (e+f)

Total GEF Resources: (a+b+c+d+e+f)

218,000.00

6,911,060.00

Project Tags

CBIT: No NGI: No SGP: No Innovation: Yes

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”. (max. 250 words, approximately 1/2 page)

Namibia has a Protected Area Network (PAN) [\[1\]](#)¹ of 23 terrestrial Protected Areas covering 17% of the country's land surface which protect the country's most distinctive, globally significant biodiversity. This PAN faces significant threats from climate change, escalating development, and under-resourcing of protected areas management authorities.

The Ministry of Environment, Forestry and Tourism (MEFT), responsible for the PAN, has an annual operational funding gap of \$5.7M [\[2\]](#)² (NAD103M, 31%), for current baseline management operations. This project will help break funding barriers by catalysing a suite of diverse sustainable financial mechanisms linked to institutional reforms to deliver improved management and safeguard Namibia's PAN. The project will contribute to GBF Targets 3, 18, and 19 by achieving certain finance-related milestones. These will take time to translate into improved management on the ground, generating impact in the medium- to long-term. The project will (1) Create enabling conditions for long-term financial sustainability; (2) Facilitate resource mobilisation; and (3) Improve financial knowledge management systems. The long-term impact of the project will be a financially sustainable PAN that result in thriving biodiversity and ecosystem services with increased livelihood opportunities.

[\[1\]](#) The 23 terrestrial PAs include: 15 national parks, 5 nature reserves, and 3 state forests. There is also one marine protected area, running the entire 1,500 km of its coastline. This is excluded from this GEF project because it is managed separately from the terrestrial protected areas by the Ministry of Fisheries and Marine Resources.

[\[2\]](#) This equals NAD103m/year – see Kuchelmeister, G., Lindeque, M., Stevens, C.M.D. and Iileka, T, 2023, Developing a concept for sustainable financing for the protected areas in Namibia: Feasibility Study. Report to the Namibian Ministry of Environment, Forestry and Tourism (MEFT) and KfW.

Indicative Project Overview

Project Objective

Ensure long term financial sustainability for effective management & safeguarding of Namibia’s existing Protected Area Network (PAN). 4620446

Project Components

Component 1: Enabling conditions created for the long-term financial sustainability and effective management of Namibia’s Protected Area Network (PAN)

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
1,807,741.00	9,137,204.00

Outcome:

1.1 Reformed GPTF in alignment with KfW/MEFT’s Sustainable Financing Mechanisms Project (SFP), has increased capabilities to mobilise and disburse increased revenue.

1.2 Suite of diverse financial mechanisms developed & approved by MEFT & Treasury.

1.3 Improved institutional capacities (MEFT and associated entities) to source finances and to effectively manage the PAN.

Output:

1.1.1 GPTF implements the core requirements of the global Conservation Trust Fund (CTF) standards^{[1]³} that include improved governance, administration, financial, technical systems, and policies, including asset & risk management, resource mobilisation, and gender-mainstreaming and women's empowerment.

1.1.2 GPTF has developed and implemented a budget allocation and financial management system that includes improved financial gap analysis.

1.2.1 In collaboration with Namibian finance, investment development institutions (e.g. EIF^{[2]⁴}) & the KfW SFP, undertake a strategic feasibility assessment of applicable, implementable and gender responsive financial mechanisms that hold good prospects to deliver new finance for the PAN.

1.2.2 At least two gender responsive policies from above financial mechanisms developed & approved by the MEFT, for example a landscape financing policy.

1.3.1 Gender responsive options study reviewing the current architecture of the institutions (MEFT & associated entities) responsible for managing and operating the PAN to improve income generation and to ensure its effective management.

1.3.2 Implementation of institutional reform and capacity building begins, ensuring gender dimensions are included.

[1] Bath P., Gallegos VL., and Valladares AG., *Practice Standards for Conservation Trust Funds*, Conservation Finance Alliance, 2020, www.cfalliance.org

[2] Environmental Investment Fund of Namibia (EIF)

Component 2: Financial resources mobilised, including an Endowment/Sinking Fund, to improve effective management of Namibia’s PAN.

Component Type	Trust Fund
Investment	GET
GEF Project Financing (\$)	Co-financing (\$)
3,841,449.00	25,966,555.00

Outcome:

2.1 Reformed GPTF in alignment with KfW/MEFT’s SFP delivers increased GPTF revenue from improved management of own revenue sources.

2.2 Increased domestic resource mobilization from new sources.

2.3 Endowment/Sinking Fund⁷ established, capitalized, and operational.

Output:

2.1.1 Increased conservation fee developed and implemented by MEFT with GPTF managing and disbursing.

2.2.1 Implementation of at least two of the new gender-responsive financial mechanisms assessed under 1.2.1 above, begins, generating new, additional revenue for the PAN.

2.2.2 Based on the Institutional reform options study in 1.3.1 above, harness the low hanging fruit for increased revenue from the recommended reform option/s.

2.3.1 Once conditions in 1.1.1 met, and after fund raising & screening, Fund capitalized, for improved effective management of Namibia's PAN.

2.3.2 Asset Managers for Fund appointed via call for proposals with capital invested which starts generating returns.

2.3.3 If Sinking Fund, gender responsive modalities & target indicators for its operations that ensure funds are spent on improving PAN management on the ground, developed & implemented.

M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
198,831.00	924,966.00

Outcome:

Effective, informed, and adaptive project management.

Output:

M&E reports, including project progress reports, midterm evaluation & terminal evaluation completed.

Annual reflection workshops, between main stakeholders, held.

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)

Component 1: Enabling conditions created for the long-term financial sustainability and effective management of Namibia’s Protected Area Network (PAN)	1,807,741.00	9,137,204.00
Component 2: Financial resources mobilised, including an Endowment/Sinking Fund, to improve effective management of Namibia’s PAN.	3,841,449.00	25,966,555.00
M&E	198,831.00	924,966.00
Subtotal	5,848,021.00	36,028,725.00
Project Management Cost	292,401.00	1,801,436.00
Total Project Cost (\$)	6,140,422.00	37,830,161.00

Please provide justification

PROJECT OUTLINE

A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

If Namibia continues with a business-as-usual approach to the financing of its Protected Area Network (PAN) it will continue to have insufficient resources to effectively manage its parks which will result in their decline. This GEF project will build on key initiatives and programs, most importantly dovetailing with the KfW/MEFT’s “Sustainable Financing Project” (SFP) which will start implementation in Q3 of 2024. Stakeholders in the two projects have agreed to align the projects, as the MEFT’s basic operational management funding gap is so significant, that both projects, and more, are needed to secure sustainable financing solutions. The ability of the GEF project to succeed is increased through close cooperation with the KfW project [1]⁵.

This project proposes to build a suite of diverse sustainable finance capacities through three key strategies: creating enabling conditions for long-term financial sustainability; resource mobilization, including the design of new revenue generation tools, and the establishment of an Endowment/Sinking Fund; and improved financial knowledge management systems.

The extent of Namibia’s PAN is as follows: 17% of land are formally protected in 24 protected areas (PA), broken down into 20 terrestrial protected areas (15 national parks and 5 nature reserves), 3 state forests and 1 marine protected area. The MEFT is responsible for management of the terrestrial areas through the Directorate Wildlife and National Parks (DWNP) which manages 20 areas, and the Directorate of Forestry which manages the 3 state forests. Namibia also participates in three Transfrontier Conservation Areas (TFCAs), namely, the Kavango Zambezi Transfrontier Conservation Area (KAZA TFCA), the /Ai-/Ais-Richtersveld Transfrontier

Park and the Iona-Skeleton Coast Transfrontier Park.^[2]⁶ Namibia's PAN is supplemented by Communal Conservancies, Community Forests and private nature reserves which cover over 22% of land and are home to about 227,941 people living within and reliant on these areas for their livelihoods. There are a total of 86 Communal Conservancies, the majority of which are adjacent to state protected areas or in the corridors between them.^[3]⁷ Two communities numbering around 6,000 people live in designated managed resource use zones in two protected areas and have rights to certain forms of agriculture as well as plant product harvesting and wildlife utilization, as well as tourism. Communal Conservancies benefit from the PAN as dispersal areas for wildlife from the PAN which can be used for hunting based on a quota system as well as tourism within the conservancies and tourism concessions within the PAs.

The GEF project will link to and build from:

- Namibian Government's laws, policies, strategies, and management plans. The 1990 Namibian Constitution safeguards the protection and sustainable management of biodiversity and recognizes the intergenerational responsibilities. The Government is committed to and expects to exceed the GBF 30X30 target. Namibia is currently at advanced stages of developing its National Plan to exceed target 3 of the KMGBF, in collaboration with WWF and financed by the GEF (under the 7th replenishment cycle) (National planning for an inclusive and effective conservation approach to reaching Global Biodiversity Framework Target 3).
- National Parks in Namibia were established in terms of the Nature Conservation Ordinance, Ordinance 4 of 1975, while the Nature Conservation Amendment Act, Act 3 of 2017 makes provision for conservancies and the establishment of concessions in National Parks and other areas. The Wildlife and Protected Areas Management Bill (WPAM Bill) is expected to replace these and related laws, strengthening protection and increasing options for financing through provisions related to fees and charges and mechanisms such as biodiversity offsets. The MEFT manages the PAN and CBNRM^[4]⁸ through the Department of Natural Resource Management (comprised of the Directorate Wildlife and National Parks (DWNP) and the Directorate of Scientific Services (DSS)), and the Department of Environmental Affairs and Forestry (comprised of the Directorate of Environmental Affairs and the Directorate of Forestry). The core staff complement responsible for the PAN is the 1,475 posts under the DWNP, 500 of which are currently vacant. The Game Product Trust Fund (GPTF) finances some PAN activities, as well as making payments to offset losses caused by Human Wildlife Conflict (HWC)^[5]⁹.
- KfW/MEFT partnership – the MEFT and KfW have a long-standing relationship. In 2021 the German government (BMZ) committed EUR3 million through KfW as the first phase of a project entitled “Sustainable Financing Mechanism for PA in Namibia”, which aims at creating some of the capacities for the sustainable finance of the PAN through the realignment of the GPTF. An additional EUR4 million bridging fund was committed to help cover the funding gap of operational costs of national parks until 2029 and until the GPTF's realignment is realized between 2025-2027. This GEF project is fully aligned to this KfW project – for detail see the section on Coordination and Cooperation with Ongoing Initiatives below.
- GEF 7 Enduring Earth Project^[6]¹⁰ which includes Namibia for Life Project (N4L) - WWF through the Enduring Earth partnership is co-leading a Project Finance for Permanence (PFP) initiative to secure sustainable finance for critical conservation services needed to secure long-term conservation outcomes of the community

conservancies in Namibia. This addresses financing needs of organisations supporting Community Conservancies but does not address the needs of the PAN, which this project will address. N4L has 3 core components: an Endowment for Extension Services, a Socio-economic Fund, and an Endowment for Conservation Performance Payments.

- The Environmental Investment Fund of Namibia (EIF) - launched in 2012, the EIF mobilises funding, and allocates it to projects and enterprises, which promote the sustainable use and efficient management of natural resources for the benefit of all Namibians. Over the past six years it has mobilised \$167m. It is the only Green Climate Fund (GCF) accredited entity in Namibia with a portfolio of \$38,9m. It manages a Green Impact Facility of \$4m which provides equity, concessional loans and bridging finance to micro, small and medium enterprises that integrate low carbon and climate adaptation instruments. It receives 30% of environmental levies on selected electronic and electrical products, all forms of mechanical oils and lubricants, incandescent bulbs as well as various types of batteries.
 - The EIF has said that it remains committed to fostering collaboration and supporting sustainable financing initiatives that advance conservation of protected areas. It has indicated interest in EIF's potential participation in the Endowment Fund, subject to necessary conditions and approvals. The EIF will be receiving environmental fees from green hydrogen projects, as well as future offshore oil and gas developments. project. It will be receiving an initial tranche of \$6m per year as an initial environmental fee (above ecological compensation due) for the Hyphen green hydrogen project to be located within the Tsau ||Khaeb (Sperrgebiet) National Park.
- GEF-supported projects in Namibia – former and current GEF projects including the proposed GEF 8 project entitled 'Supporting Sustainable Wildlife Conservation and Ecosystem Restoration in Namibia.’’
- Other past and ongoing/existing projects, see the Baseline Table below. Legacy landscapes, SADC TFCA and KAZA

GEF Project Baseline and Incremental Value

Baseline

Recent investigations [[7](#)]¹¹ into the current financing of the PAN in Namibia have made the following key findings:

1. The current **operational shortfall for management of the PAN is annually \$5.7m (NAD103m)**, which represents a 31% gap in the MEFT's annual budget. This excludes the significant long term infrastructure funding requirement and costs associated with expansion to address GBF goals.
2. **90% of the annual expenditure for the PAN is spent on staff salaries**, meaning that the shortfall represents the inability of those staff to do effective management at operational level as they have no funds to implement park management plans and to take the required biodiversity conservation action.
3. The contribution to GDP by the protected area tourism sector was estimated to be N\$2.05 billion, or 3.8% of GDP. These values are undoubtedly considerably higher at present, despite the COVID impact. This **critical value to the Namibian economy stands to be significantly eroded** unless a long-term financing plan for the PAN is developed and implemented.
4. Donor support for the PAN over the past 10 to 15 years has been significant at an estimated EUR139 million, with key donors including GEF, KfW, USAID, U.S.[\[8\]](#)¹² Department of State, Bureau of

International Narcotics and Law Enforcement (INL), MCA and WWF. Although this donor funding has been very important for conservation in Namibia it has been project by project, short term and based on donor priorities vs having sustainable in country funding that can be applied strategically over a longer term and against a long-term plan. The **donor value to date can be significantly eroded** unless a long-term sustainable financing plan is developed and implemented to prevent the reversal of previous gains.

5. There are currently **real opportunities to solve these challenges** and this GEF project can be catalytic towards this end.

Expenditure on national parks management is currently funded from three main sources: Government via its annual budget allocation; the Game Product Trust Fund from various fees; and Donors, mostly bi/multilaterals. Combined government, GPTF and donor funding reached N\$399 million in 2015/16 decreasing to N\$306 million in 2017/18 and N\$358 million in 2021/22. Averaged over the last five years, government funding accounted for 68.1% of overall funding followed by 30.3% from donors and 1.6% from the GPTF.^{[9]¹³}

The MEFT receives its direct public sector funds for managing the PAN through the annual budget allocation (Programme 01 Wildlife and protected area management), of which approximately 90% is spent directly on Protected Areas, and the remainder is on wildlife management outside protected areas. As shown in the Table^{[10]¹⁴}

below, of the allocation to Programme 01 over the 2021/22 - 2025/26 period from the MTEF, 88-98% of the allocation is for personnel expenditure, leaving 12-2% of the Programme allocation for operational costs.

Table 1 MEFT budget for PAN management

Budget	2021/22	2022/23	2023/24	2024/25	2025/26	2026/07
	Actual	Actual	Projection	Projection	Projection	Projection
Programme 01 Wildlife and protected area management	196	225	235	279	286	292
010 Personnel Expenditure	192	203	211	217	221	226
Personnel Expenditure as a % of the total budget for Programme 01	98%	90%	90%	78%	77%	77%
Estimated Programme 01 Wildlife and protected area management expenditure on protected area management (90% of total Programme costs)	176	203	212	251	257	263
Estimated 010 Personnel Expenditure on protected area management	173	183	190	196	199	203
Personnel Expenditure on protected area management as a % of the total budget for Programme 01	98%	90%	90%	78%	77%	77%

The Table [11]¹⁵ below shows the current state of own revenue generation associated with the PAN, where the funds are deposited, and relative significance of the revenue source. Total revenue per source reached N\$82 million in 2019/20 with entrance fees accounting for the bulk of revenues followed by hunting concession fees. The introduction of conservation fees played a key role in the recovery of revenues in 2021/22 to N\$69 million and this has been identified as the most viable opportunity for the GPTF to both increase own income and receive it for improved park management. Namibian Wildlife Resorts (NWR) revenues climbed steadily to a high of N\$395 million in 2019 allowing for a profit of N\$12 million after many years of losses. However, in 2020 they returned to a loss of N\$177 million followed by a loss of N\$123 million in 2021. As revenue from tourism facilities could be a significant quantum, the NWR will be included in the institutional efficiency review outcome of this project. [12]¹⁶

https://worldwildlifefund-my.sharepoint.com/personal/robbie_boyino_wwfus_org/Documents/Desktop/Namibia%20GEF8/SUBMISSION%20GEF%20PORTAL/PIF%20Document/Final%20Full%20PIF%2013%20March%202024%20clean%20wwf.docx - ftn12

Table 2 PAN own revenue generation

Own revenue source	Deposited in / accrue to	Significance of revenue
Entrance fees	100% to State Revenue Fund/Account	Most important quantum but not available for park management
Conservation fees	100% to GPTF to be retained for park management	Since 2021/22 holds highest opportunity for increasing and is used for park management
Tourism concession fees	25% to State Revenue Fund/Account and 75% to conservancies awarded concessions in parks.	Important for conservancies but not for PAN management
Filming fees	100% to State Revenue Fund/Account	Not significant
Hunting concession fees	100% to GPTF [13] ¹⁷	2 nd highest revenue source after entrance fees but not available for park management
Wildlife sales/auctions	100% to GPTF	Small amount
Sale of game products	100% to GPTF	Small amount
Namibia Wildlife Resorts (NWR) revenue from accommodation facilities inside the parks	100% retained by NWR	Significant total quantum of N\$395 million in 2019, 1 st year showing profit of \$12m. All retained by NWR. Important to review as part of the institutional efficiency project outcome.

In Namibia, there are two statutory funds in the environment sector, i.e. the Environmental Investment Fund (EIF) and the Game Products Trust Fund (GPTF). A further conservation trust fund the Community Conservation Fund of Namibia (CCFN) has been established with a limited mandate of only supporting Namibia's community-based natural resource management programme. The EIF is overseen by the Minister of Finance and Public Enterprises and is Namibia's Green Climate Fund accredited body. The GPTF is overseen by the Minister of Environment, Forestry and Tourism and is the designated recipient of funds generated from protected areas and wildlife for supporting protected area management and other conservation programmes. The CCFN has a limited mandate of only supporting Namibia's community-based natural resource management programme. After thorough consideration of these Funds, the MEFT, supported through the KfW project, has identified the GPTF as the key institution which can be realigned to generate revenue, receive funding, and disburse it for the benefit of the PAN.

The GPTF was established in 1997 as a statutory mechanism whereby revenue obtained from the sale of wildlife products could be used exclusively towards wildlife conservation and community conservation and development programmes. Funding allocations from the GPTF can be broadly divided into those going to projects primarily in protected areas and human wildlife conflict (HWC) offset payments to affected people/communities. The Fund receives revenues from the following key sources: conservation fees introduced in 2021 that are paid by visitors to the Parks; trophy hunting concessions paid by trophy hunters; animals-related products: wildlife auctions, sale of game products, removal of problem animals and head levies on the live export of wild animals, as well as donations. It is estimated that significant additional own revenue can be generated through effective management of the conservation fees as tourism bounces back post covid. The KfW sustainable financing project aims to strengthen the GPTF to meet global CTF standards. The GPTF is governed by a Board of Trustees appointed by the Minister of Environment, Forestry and Tourism and is audited by the Auditor General who reports audit findings to Parliament. The Board of Trustees currently does not include private sector experts but only government representatives and two communal conservancy representatives. The Minister could in future appoint an entirely independent Board of Trustees with requisite expertise in law, financial management and conservation management.

This project will dovetail with the MEFT/KfW “Sustainable Financing Project” (SFP). One of the key advantages that the project has is that the KfW’s “Sustainable Financing project (SFP) will start implementation by Q3 of 2024 and the GEF project will be able to build upon it. As the MEFT’s operational management funding gap is so significant, both projects are needed, (and more), to find sustainable financing solutions. The ability of the GEF project to succeed is increased through close cooperation with the KfW project.

It has been agreed by the involvement stakeholders that this GEF Financing4Future and KfW Sustainable Financing Project (SFP) will be dovetailed and complement each other as follows:

1. As the MEFT is the executing entity in both projects, the key people appointed to handle the two projects will be the same.
2. There will be regular communication and engagement between the two project teams.
3. A joint Steering Committee that represents both projects will be established, and a sub-committee structure will be created where each project can discuss and approve internal project matters separately (for example detail related to budget, appointment of staff/consultants etc.).
4. As it is expected that the KfW project will begin Implementation in mid-2024, at least a year before the GEF project, the GEF project will review the results already achieved by the KfW project when it begins implementation and adjust its results matrix at that time to ensure that work is not duplicated.
5. As both projects are responsible for their specific outputs and report to different institutions, each project will obviously retain the obligation to ensure that high quality outputs are achieved and that they meet their required target indicators. For example, one of the outputs from the GEF project is the Development and Approval of a Suite of Financial Mechanisms for sustainable financing of the PAN. This is similar to the KfW’s output “Develop and approve Innovative Finance Strategy”. Thus, if this output has already been achieved when the GEF project starts, the GEF project will then review the output and only do supplementary work to achieve its required output. Flexibility will be retained by good communication between the projects.
6. The projects have agreed in principle to work on different areas of focus to avoid duplication.
 - a. For example, the KfW is focused on GPTF reform, while the GEF will focus on institutional efficiencies required within the MEFT more broadly.
 - b. When it comes to resource mobilisation of specific financial mechanisms (development and implementation) the projects will ensure that they tackle different mechanisms to achieve maximum benefit. Currently the GEF projects has identified its focus to be on carbon/biodiversity credits; biodiversity bonds; and landscape financing approach. The KfW

has identified biodiversity offsets as a focus area. Flexibility will be retained through regular communication.

- c. The KfW has identified a need to support the MEFT during the transition period when the funding gap cannot be closed fully from the suite of financial mechanisms. Thus, some bridging finance is available via a funding line directed through the MEFT for improved implementation of management plans on the ground. This doesn't constitute a formal Bridging/Sinking Fund. The GEF project will test the waters during the detailed planning phase regarding the establishment of an either Endowment or Sinking Fund, whichever is found to be the most viable option.
7. The Table below shows the detail of the GEF Table B Indicative Project Overview and KfW's Results Matrix. Each project uses its own terminology which has been aligned as best possible in this Table.

Table 3 High-level overview of alignment between GEF 8 Financing4Future and KfW Sustainable Financing Mechanisms Projects

Item	GEF 8 Safeguarding the future of Namibia's Protected Area Network through Financing4Future PIF (February 2024)	KfW Sustainable financing mechanism for Namibia's protected areas Results Matrix (June 2023)
Project Objective (GEF)/ Program Objective (KfW)	Sustainable financing of the management of protected areas in Namibia.	A fair access to natural resources and its sustainable management contributes to the protection of biodiversity, functioning ecosystems and improvement of rural income.
Project Components (GEF) /Module Objective (KfW)	<p>1. Enabling conditions created for the long-term financial sustainability and effective management of Namibia's Protected Area Network (PAN).</p> <p>2. Financial resources mobilised, including an Endowment/Sinking Fund, to improve effective management of Namibia's PAN.</p>	<p>1. Sustainable financing of the management of protected areas in Namibia.</p> <p>2. Bridge funding for operations and costs for sustainable financing mechanism sinking fund.</p> <p><i>Note: From here onwards the KfW Outputs and Activities are related to the Sustainable Financing Module Objective above (not the Bridge Financing which is funding operational management on the ground within PA).</i></p>
Project Outcomes (GEF)/ Project Outputs (KfW)	<p>1. Enabling conditions</p> <p>1.1 Reformed GPTF in alignment with KfW/MEFT's Sustainable Financing Mechanisms Project (SFP) has increased capabilities to mobilise and disburse increased revenue.</p> <p>1.2 Suite of diverse financial mechanisms developed & approved by MEFT & Treasury.</p> <p>1.3 Improved institutional arrangements (MEFT and associated entities) to source finances and effectively manage the PAN.</p> <p>2. Resource mobilisation</p> <p>2.1 Reformed GPTF in alignment with KfW/MEFT's SFP delivers increased GPTF revenue from improved management of own revenue sources.</p>	<p>Output 1: The Game Product Trust Fund (GPTF) has been reformed in accordance with CTF standards and is operational.</p> <p>ENHANCEMENT STAGE 1 (year 1): GPTF compliant to the core requirements of the global Conservation Trust Fund (CTF) standards that include policies & measures for good governance, institutional effectiveness, asset management, programmes, administrative systems, risk management & safeguards, and resource mobilisation.</p> <p>ENHANCEMENT STAGE 2 (year 2-5):GPTF has developed and implements a budget allocation and financial management system that includes improved financial gap analysis.</p>

	<p>2.2 Increased domestic resource mobilisation from new sources.</p> <p>2.3 Endowment/Sinking Fund established, capitalised, and operational.</p>	<p>Output 2: Funding sources to sustain the ongoing costs of protected areas have been developed.</p> <p>Output 3: GPTF funds are used in a transparent, efficient, and sustainable manner by the park management of the protected areas.</p> <p>Output 4: Co-benefit mechanisms (e.g. for communities and climate) of State Protected Areas (SPA) management have been strengthened.</p>
Timeframes	<p>PIF to June 2024 GEF Council</p> <p>If approved, detailed planning July 2024 – June 2025</p> <p>If approved, Implementation January 2026–December 2030</p>	<p>Approval of E3m in place.</p> <p>Implementation of the E3m Q3 2024 – Q2 2029</p>
Funding	\$6.9 M	E3m for Financing sustainable solutions (the 4 outputs and their activities listed above). E4m for Bridging Finance of operational requirements.

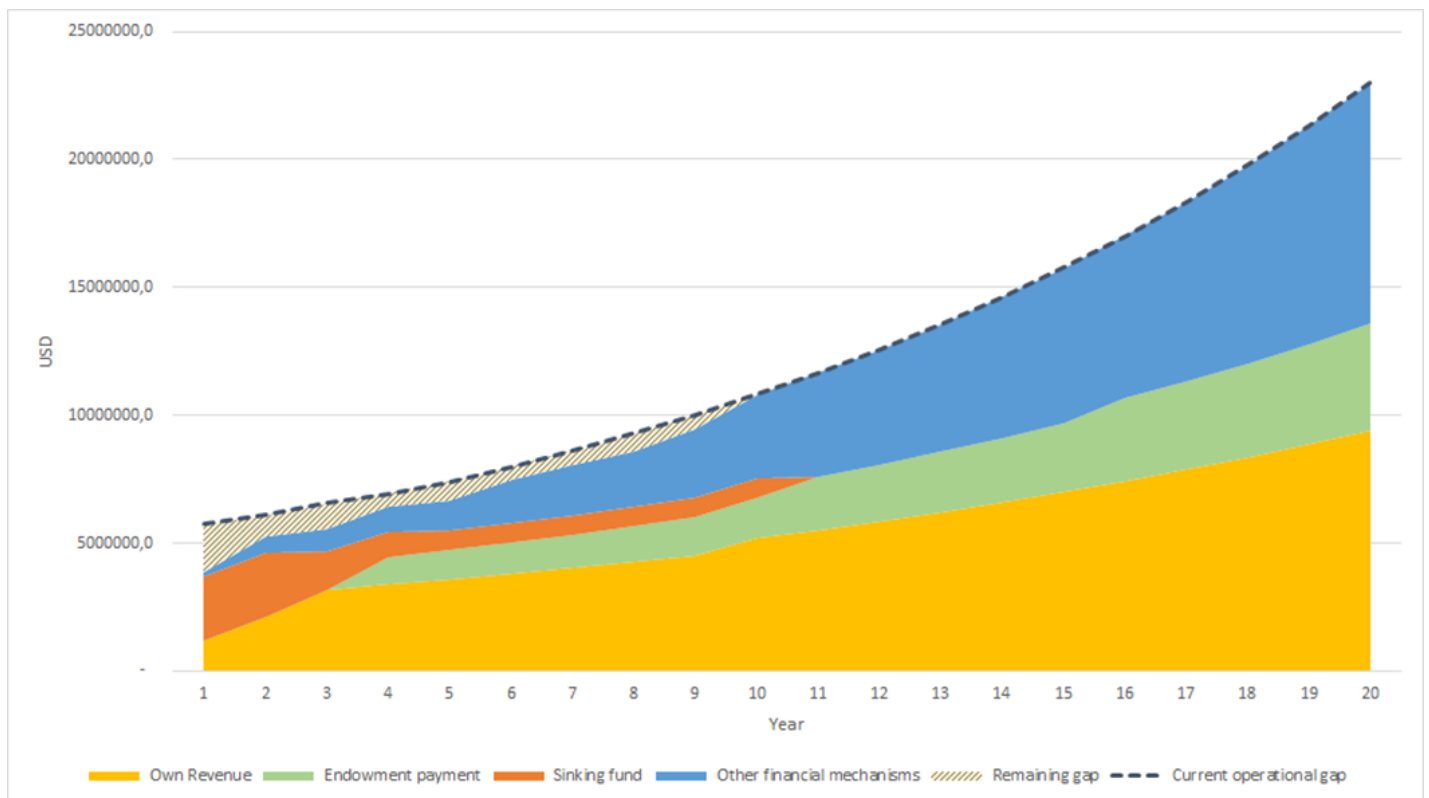
This **GEF Project’s Incremental Value** will be to catalyze the development and implementation of a suite of diverse sustainable financial mechanisms linked to institutional and management reforms required to deliver improved management resulting in safeguarding Namibia’s PAN. This will be achieved through:

1. Establishing more predictable and increased financing for PAs from a wide suite of financing mechanisms/income streams to enable more effective financial management and increased PA management. This suite will include improved frameworks and policies for MEFT to secure funds for Park management from development and to safeguard biodiversity. Improving institutional arrangements will be necessary to both mobilise additional finance and to use these resources effectively for improved PA management. The current architecture of the institutions responsible for managing and operating the PAN will be reviewed to facilitate increased revenue.
2. Financial resources mobilised will be used to enhance implementation of PA Management Plans and thus achievement of the desired conservation outcomes in these plans. Each PA Management Plan includes multiple actions and strategies, with annual action plans specifying what will be done within that PA in that year. This project will, through the increased resources mobilised, enable parks to implement prioritized aspects of these annual plans. All PA Management Plans address these categories: To secure and increase landscape connectivity; To protect and maintain biodiversity ; 3) To develop, implement and maintain regional conservation synergy through effective interaction with all park neighbours and major stakeholders; 4) To maximise regional economic development, based on the principles of sustainable utilisation; 5) To protect and maintain cultural and historic, archaeological, and paleontological assets ; 6) To provide for recreational opportunities to park visitors without compromising environmental values or visitor experience.

There is not a common, well-defined, and understood classification of financial mechanisms used by those involved in conservation finance in Namibia. The Conservation Finance Alliance (CFA) has developed a taxonomy of seven classes of financial mechanisms, namely Return-Based Investments (like biodiversity bonds); Economic Instruments (like the conservation fee charged to those entering Namibian parks); Grants and Other Transfers (like an Endowment or Sinking Fund, GEF grant or philanthropic grants); Business and Markets

(like biodiversity credits); Public Financial Management (like the fiscal allocation to the MEFT); Risk Management and Financial Efficiency.^{[14]¹⁸}

This project has identified three categories of Financial Mechanisms – with various funding sources - that currently offer good opportunities for the project to pursue to build sustainable financing for Namibia’s PAN. These are discussed in the Table below and illustrated by the 20-year Forecast Scenario Graph below. This Graph illustrates the combined impact of a mix of financial mechanisms – own revenue; endowment payment; sinking fund; and other financial mechanisms – over a 20-year period on the current \$5.7m operational shortfall which is all but eradicated by their combined effect with a 3% gap remaining. Year 1 of the forecast represents when it starts and isn’t linked to a specific year. As some “Own Revenue” and “Sinking Fund” already exist, year 1 shows revenue already occurring.



The Assumptions underpinning this Graph are:

Table 4 Forecast scenarios assumptions

Financial mechanism	Assumptions used in graph	% contribution to eradicating financial gap to 3% remaining
Own revenue	Conservation fee: initial tourism growth of 40% per annum as tourism recovers from COVID pandemic, thereafter %. Conservation fee annual increase of 4% from year 4 Other: e.g. increased revenue from tourism	43.9%
Endowment fund	USD 20 million in year 1; additional USD 10 million in Years 10 & 15	16%

	1% endowment fund management fee Interest rate: 11.5% Drawdown from endowment fund to commence in Year 4, at 4%	
Sinking fund	USD 2.5 million in years 1 & 2; USD 1.5 million in year 3; USD 1 million in year 4, USD 750,000 per annum in years 5-10 (total USD 12 million)	4.9%
Other financial mechanisms	E.g. Biodiversity offsets, carbon/biodiversity credits; landscape financing	32.2%

Table 5 Project’s Potential Financial Mechanisms and Conservation Finance approaches

Financial Mechanism	Description of the opportunity	Issues to be addressed
1. Increased own revenue	The low-hanging fruit, whereby own revenue can be increased is through increasing the conservation fee that is paid by visitors to parks, and which currently goes to the GPTF for park management. The reformed and enhanced GPTF will be able to significantly increase the conservation fees and other options will also be considered. In the Scenario Graph below this mechanism contributes 43.9% over 20 years to the total funding needed.	The Improved Institutional Efficiency component of the project will consider options to address the current architecture of the institutions (MEFT & associated entities) responsible for the PAN. An example is the Namibia Wildlife Resorts (NWR) that receives revenue from accommodation facilities inside the parks but retain all this revenue for its own use, with none going towards park management.
2. New revenue generation financial mechanisms - This project will investigate the suitability/viability & develop frameworks/policies for some as well as begin implementation.		
In the Scenario Graph below these mechanisms collectively contributes 32.2% over 20 years to the total funding needed.		
2.1 Carbon/biodiversity credits	Carbon credit trade significant, despite some recent market issues. Carbon credit: a tradable certificate, issued by a verification organisation, representing one metric ton of carbon dioxide equivalent (tCO ₂ e) that has either been removed from the atmosphere or for which emission has been avoided. Biodiversity credits concept still under development.	A Carbon Opportunities assessment should be undertaken during detailed planning phase which will flesh out the current state of play in Namibia regarding carbon, including the nature of existing conservation carbon credit deals and the governments thinking re a carbon trading framework and NDT, and to ID the nature of the opportunity.
2.2 Landscape financing	The landscape financing approach is not a new revenue generation tool, but a Conservation Finance solution that will significantly reduce PA management costs. It is considered that this approach will improve management over areas of important biodiversity and wildlife corridors without MEFT having to allocate resources for their ongoing management. These functional landscapes approach will create a net saving in PA management costs because of enhanced cooperation amongst landscape components towards mutually agreed objectives, strengthening/reviving former wildlife	More detailed stakeholder engagement, specially involving both Landscape Partners and the MEFT, is required to stress-test the implementation viability of this approach. A key part of that testing will be to do financial strategy and plan for how Landscape partners will fund their management over a 20-year timeframe; and b) detailed forecasting of the net saving in PA management of this approach. It is noted that this approach does not deliver hard cash to the MEFT for PAN management but rather in-kind

Financial Mechanism	Description of the opportunity	Issues to be addressed
	<p>movement corridors which enhance wildlife dispersal and prevent local overpopulation, improve collaborative management of human-wildlife conflict, cooperation in fire management, fence maintenance, management of problem animals etc.</p> <p>A Landscape financing approach involves the MEFT entering into an agreement with Landscape Partners who own/use large landscapes adjacent to the PAN which contain important biodiversity and wildlife corridors where the Landscape Partners take responsibility over the long-term, using own time and resources, to manage the landscape according to an agreed Management Plan.</p> <p>The key Benefits for the PAN and MEFT include:</p> <ul style="list-style-type: none"> - Improved management over areas of important biodiversity and wildlife corridors without MEFT having to allocate resources for ongoing management. - Functional landscapes create a net saving in PA management costs because of enhanced cooperation amongst landscape components towards mutually agreed objectives, strengthening/reviving former wildlife movement corridors which enhance wildlife dispersal and prevent local overpopulation, improved collaborative management of human-wildlife conflict, cooperation in fire management, fence maintenance, management of problem animals etc. - Functional landscapes improve PA management efficiency. - Increase resilience to climate change as allows for wildlife movement corridors, wildlife dispersal areas and buffer zones around PAs. <p>Additionality: large numbers of hectares – for just 3 landscapes 4,200,000 hectares - can be added either a) formally through proclamation as</p>	<p>financing which provides a significant savings for the MEFT.</p>

Financial Mechanism	Description of the opportunity	Issues to be addressed
	a Protected Landscape (once the Wildlife Bill is passed); or b) informally through recognition as an OECM.	
2.3 Biodiversity/wildlife bond	The rhino bond currently being implemented to improve rhino numbers in the Addo National Park in South Africa is an example of a structured blended impact bond. Building from experiences of such bonds globally, a biodiversity bond could be established that involves a Namibian finance institution + a local grant-giver (the GEF equivalent in the SA rhino bond) + Transaction advisors (the World Bank equivalent in the SA rhino bond) + GPTF/EIF for the issuing of a conservation bond that is linked to improved biodiversity conservation. The finance institution would use their existing bond issuing channels to issue the conservation bond and attract new investor finance to conservation. To address the issue of sustainability a bond should be able to be re-issued - i.e., every 5 years over a 20-year period.	Initial discussion with the private sector in Namibia indicated interest in developing a Namibian biodiversity bond that builds from best global experience and which tackles the issue of long-term financial sustainability. Further discussions with key private sector stakeholders to assess interest to incubate a biodiversity bond will occur during the detailed planning phase.
2.4 Corporate sustainability investment finance (sometimes called ESG)	The intention here is to work how to relate to and potentially capture funds from companies that are driving their businesses to become net zero emitters and have a net positive biodiversity impact. There are currently opportunities and risks for Namibia within the resource extractive field.	The private sector has indicated interest to support this project, but exactly how needs fleshing out. The NIPDB has a scorecard for investors which has a component for ESG. Once the MEFT has developed a policy framework on ESG, that is both protects the environment and is investor friendly, they can discuss with the NIPDB how the NIPDB can include it in their scorecard.
2.5 Biodiversity offsets & ecological compensation	Namibian doesn't currently have a biodiversity offsets policy, but this is very topical because the first green hydrogen deal announced by the EIF that involves development within the Tsau//Khaeb National Park (Sperrgebiet) includes that Hyphen will pay full ecological compensation for any negative impact to biodiversity caused by the hydrogen project. The details of this will be worked out during the feasibility & environmental assessment which are currently under way. In addition, Hyphen will pay an annual environmental fee of \$6m to the Namibian government via the EIF, and the EIF has indicated interest to allocate some of this into the Endowment Fund, under certain conditions. Ecological compensation involves creating, restoring, or enhancing biodiversity (habitats & species) to counterbalance ecological damage caused by development so that a "no net loss" situation is achieved.	What is meant by biodiversity offsets and how this differs/aligns with ecological compensation needs to be clarified in a clear policy framework, that Namibia lacks now. MEFT develops policies concerning the environmental sector and the PAN based on the national context, best practice, a needs assessment, and public consultation. The biodiversity offsets policy will at a minimum include no net loss and strive for the requirement for net positive GEBs. For example, no net loss on the ground could be supplemented by long-term annual financial contributions to be used for improving management and expansion of the PAN to achieve

Financial Mechanism	Description of the opportunity	Issues to be addressed
		<p>net gains, as it does in certain other countries.</p> <p>MEFT does not see biodiversity offsetting as the panacea for development impacts in the PAN, but as an additional policy mechanism that could apply in some cases and will have deterrent value to prevent residual impacts that cannot be rehabilitated. GEF funding will help to establish cross-sectoral understanding of offsetting and design a policy that includes international best practice, complementing national best practice guidelines already developed for the mining industry and endorsed by both the environmental and mining regulatory agencies and the Chamber of Mines.</p> <p>Please note that no GEF funding will be used to compensate any particular infrastructure or development.</p> <p>On this regard, during PPG phase, a study will assess if this project will be able to develop a biodiversity offset policy framework (that can be approved by the government) that integrates the full mitigation hierarchy, following best international practices, and that helps to generate net, positive GEBs, and revenues for PA management. If this feasibility assessment concludes these principles can't be accomplished, the development of a Biodiversity Offset Policy activity will be removed from the project strategy.</p>
2.6 Friends of Parks	The Namibian Friends of the Parks programme was officially launched in 2020 by the MEFT to secure voluntary support by citizens, both in kind and in cash, for	Friends of the Parks programmes have the potential to attract significant contributions to parks both in cash and in kind whilst building an important

Financial Mechanism	Description of the opportunity	Issues to be addressed
	the Parks. To date it has not yielded much and it requires enhancement.	stakeholder support base. The modalities of how to manage this need to be worked out.
3. Conservation Trust Funds		
3.1 Endowment Fund	<p>The main advantage of setting up an Endowment Fund that it is intended to exist in perpetuity or to preserve its capital over a long-term timeframe. It is invested under management by an experienced Asset Manager who earns a market-related fee for managing the investment. The interest is used for park management and the capital continues to grow.</p> <p>In the Scenario Graph below shows the initial size of the Fund is \$20m but it grows over time to \$40m. Under this scenario it contributes 16% to the total funding needed.</p>	<p>The main challenge is capitalisation of the Fund to a sufficient size that it can generate enough investment finance to be used for PA management. Currently there are two potential sources of seed capital, the EIF and KfW, with further investigation occurring during the detailed planning phase of the project. Provision is made for 46% (2.8MUSD) of the GEF project grant to be used either for the Endowment or Sinking Fund, and a ratio of at least 1:3 is anticipated.</p> <p>A second challenge is that the Fund's governance needs to be above reproach so that it can attract grantees. The KfW project will support the reform of the GPTF to the required global governance standards meeting all the WWF GEF ESS and fiduciary standards. As it is located within government private sector has expressed the view that they are hesitant to grant seed capital. Thus, during the detailed planning phase of this project further investigation will be made to assess its viability.</p>
3.2 Sinking Fund	<p>The project is aligned to the KfW SFP which includes bridging financing to meet the operational gap while the suite of financing mechanisms is being established. Initial indications of interest in capitalising the Endowment Fund have been given by the EIF, and this will be built on during the detailed planning phase.</p> <p>In the Scenario Graph below the initial size of the Fund is \$5m but it grows over time to \$12m. Under this scenario it contributes 4.9% to addressing the funding gap over the 20 years.</p>	Raising capital for the Sinking Fund will also face challenges as above. The PFP approach may work well for Sinking Funds.

Global environment significance, problems, and barriers

Biodiversity value and Status of Protected Areas in Namibia

The Namibia PAN holds globally important components of biodiversity including the Namibian component of the Succulent Karoo Biome which is the only arid zone global biodiversity hotspot with more than 4,000 species of plants of which around 60% are endemic or near-endemic. Five Namibian national parks and one nature reserve form part of the Kavango Zambezi Transfrontier Conservation Area, the largest Transfrontier conservation area in the world holding nearly 70% of the remaining elephants in Africa. Etosha NP holds the largest population of black rhinoceros in Africa. The Namib-Naukluft NP holds the entire Namib Sand Sea World Heritage Site with high biodiversity in small mammals, reptiles, and invertebrates.

The PAN forms the anchor conservation management units within larger informal conservation landscapes that include communal conservancies, private nature reserves and freehold farmland used for wildlife and tourism, comprising 41% of Namibia's land surface. This conservation mosaic connects protected areas and provides resources for Namibia's community-based natural resource management programme extending to 86 communal conservancies and 48 community forests. Two national parks host indigenous people (Khwe and Aonin) in managed resource use zones.

The status of Namibia's PAs is shown in the Table below:

Table 6: Status of Namibia's PA

Type of PA	Number & size	Responsible authority	Comment
National Parks (IUCN Category II), Nature Reserves (reclassification necessary, but could include IUCN Category II) and State Forests (new classification necessary, but probably IUCN Category VI)	<p>23 terrestrial areas</p> <p>Total ha: 13,933,098 = 17% of Namibia's terrestrial area.</p> <p>This GEF Project is focused on these 23 areas.</p> <p>1 marine area which covers 943,200 ha = 1.7% of the Namibian marine Exclusive Economic Zone (EEZ)</p>	<p>The Directorate Wildlife and National Parks (DWNP) within MEFT (national parks and nature reserves)</p> <p>The Directorate of Forestry (DoF) within MEFT (State Forests)</p>	<p>Comprised of:</p> <p>15 National Parks (13,728,427 ha)</p> <p>5 Nature Reserves (9,461 ha)</p> <p>3 State Forests (175,210 ha)</p> <p>Given the available GEF 8 project funding, the opportunity of complementing KfW/MEFT's Sustainable Finance project, and the existence of other projects/initiatives that are already supporting in Namibia the expansion of the MPAs towards achieving KMGBF Target 3, the MEFT decided to focus this GEF project only on the terrestrial component of the PAN, to ensure focus and achievement of significant impact. The marine protected area is managed by the Ministry of Fisheries and Marine Resources and is not covered by this proposal. This is also not an expansion of PAs project, as there</p>

Type of PA	Number & size	Responsible authority	Comment
			are other initiatives addressing the expansion of marine PAs. [15]
Community Conservancies & Community forests (IUCN Category VI)	133 Total ha: 18,010,323 = 21.8 % of Namibia.	The Directorate Wildlife and National Parks (DWNP) within MEFT as regulator or facilitator but not as management authority (Communal Conservancies) The Directorate of Forestry (DoF) within MEFT as regulator or facilitator but not as management authority (Community Forests) Communities manage community conservancies and forests themselves	86 Communal Conservancies (16,616,323) 47 Community Forests (1,394,000) Most of the community forests overlap with conservancies. Only the area that does not overlap has been counted as community forest to avoid double counting. Legislation and policies provide for rural communities to manage their wildlife populations sustainably & derive financial/other benefits from natural resources, which if managed well provides for long-term landscape connectivity and security of wildlife movements through corridors that aligns well with the PA system.
Tourism Concession Areas (de facto IUCN Category II)	3 Total ha: 638,808 = 0.8% of Namibia	The Directorate Wildlife and National Parks (DWNP) within MEFT	Palmwag, Etendeka and Hobatere
Freehold land conservancies and nature reserves (unclassified but includes de facto IUCN Category II and IUCN Category VI)	22 Total ha: 2,510,700 = 3.0 % of Namibia.	Private sector	7 clusters of private farms (freehold conservancies) and 15 private wildlife/nature reserves

Environmental problems

The specific problem that the project aims to solve is the lack of financial resources and in some instances policy mechanisms and their enforcement for effective protected area management to mitigate environmental threats facing the PAN such as:

- Threats of increasingly severe climate change that manifest as increasingly unpredictable rainfall and prolonged drought that result in:
 - Reduced and high inter-annual variation in primary productivity and resource availability.
 - Loss of restricted range species or habitat-specific species.
 - Land degradation in small PAs especially due to the inability to prevent overgrazing and soil compaction fast enough due to a lack of resources.
 - Lowering of water tables that may result in the loss of surface springs and plant and animal life associated with that, as well as reducing the amount of PA habitat that can be accessed by water-dependent wildlife species.
- Degradation of the ecological integrity of the PAN due to:

- Extraction of non-renewable resources, such as mining, without sufficient offsetting or restoration due to a lack of policy mechanisms.
- Establishment of large-scale renewable energy projects (including Green Hydrogen) and associated infrastructure without sufficient offsetting or mitigation due to a lack of policy mechanisms.
- Encroachment on the PAN by economic operators (e.g. mines, tourism, unsustainable agriculture/expansion, settlement expansion into corridors) due to insufficient compliance monitoring and enforcement.
- Insufficient resources to manage overharvesting timber/fuelwood, and overgrazing.
- Insufficient resources to manage and reduce the impact of tourism in high demand areas.
- Loss of or reduction of key species or populations of key species due to wildlife crime and a lack of resources for enforcement.
- Loss of genetic diversity in key wildlife populations in the PAN due a lack of management intervention such as metapopulation management and a lack of research and monitoring.
- Obstructed wildlife movements due to fencing or other infrastructure resulting in reduced landscape connectivity and inability to relocate to refugia with temporally more suitable habitat.
- Loss of biodiversity and changes in vegetation structure due to high incidences of wildfires that originate outside PAs but cannot be controlled effectively due to a lack of resources to implement identified fire management measures.
- Persistent pollution in PAs due to the lack of resources to implement identified solid waste management measures.

The Global Environmental benefits that will be impacted if the problem is not solved is the loss of biodiversity of global importance and ecosystem functions that can mitigate climate change, desertification and land degradation.

Barriers

However, this PAN is under significant threats due to insufficient domestic financial resources, misalignment between economic value of PAN and fund allocation, resulting in a lack of effective operational management of the PAN, and requiring management reform of the institutions responsible for the PAN.

The key barriers that are the underlying causes that are contributing to the environmental problems affecting Namibia's PAN as mentioned above, and which the GEF project strategies will work to address to generate global environmental benefits, are:

- **Insufficient domestic financial resources** - The main barrier preventing the solution of the above-mentioned environmental problems is insufficient domestic financial resources required to cover the cost of effectively managing and governing Namibia's PAN to meet both national and global objectives, and the expansion vision of the 2022 KM-GBF. Although Namibia has successfully adjusted domestic revenues to meet some of these needs, the PAN remains highly underfunded, and heavily reliant on external donor funds. The estimated financial gap is approximately \$5.7M/year for operational management excluding ongoing infrastructure costs. This barrier will be addressed by enhancing and diversifying income streams for PAN management by strengthening the current conservation trust fund (GPTF), creating an Endowment/Sinking Fund and identifying and piloting other sustainable financing mechanisms.
- **Misalignment between economic value of PAN and fund allocation** – There is a misalignment between the economic value of Namibia's PAN and the allocation of funds to manage the jewel of its tourism industry, i.e. Namibia's PAN. The direct value added to the Namibian economy, i.e., the contribution to GDP by the protected

area tourism sector, was estimated to be N\$1.11 billion, roughly 2.1% of GDP in 2008, and the total contribution to GDP was estimated to be N\$2.05 billion, or 3.8% of GDP², accounting for tourist expenditure on transport, accommodation, vehicle hire, food, insurance, banking services, guides, taxation, VAT etc. Based on available data, the METF budget allocation is about 2 to 3%, of GDP, of which 1% to 1.2% is allocated directly to management of the PAN^{[16]¹⁹}. This barrier will be addressed by overcoming limited government budget allocation by establishing an Endowment/Sinking Fund and enhancing domestic resource mobilization through identifying and piloting other sustainable financing mechanisms.

- **Lack of effective operational management of the PAN** – Currently 90% of the MEFT’s annual budget is spent on staff cost leaving an annual \$5.7m (NAD103m) operational shortfall, excluding infrastructure costs. This results in ineffective management as there are limited funds for implementing management plans including delivering wildlife crime prevention and law enforcement, infrastructure maintenance, monitoring and research, undertaking rehabilitation of disturbed areas, addressing wildlife/human conflicts, tackling socio-economic needs of local communities living within and adjacent to parks, and insufficient resources for climate change mitigation and adaptation. Within this context there are virtually no funds to develop and implement a landscape approach as a key mechanism for management and expansion of PAN and conserved areas, buffer zones and wildlife corridors. This barrier will be addressed through this project by systemic measures that in the medium to long term will increase the resources for PA management while in the short-term leveraging on partner projects to provide bridging support through sinking funds.
- **Lack of institutional capacities to deliver increased revenue for the PAN** – The MEFT currently lacks the institutional capacity to develop frameworks for a diversity of financial mechanisms, to mobilise these resources, and to manage such new generation financing of the PAN. Data management to understand and track finances linked to management outcomes is lacking. There is also insufficient multisectoral coordination to build effective public-private-non-governmental partnerships required to align Namibians behind a financially sustainable park network. MEFT requires assistance to develop options for enhanced institutional effectiveness of PAN management, being the last remaining country in SADC where PAN management is done by a government department with inherent constraints on mobilizing resources, adapting to changing conditions, retaining competent personnels and forming partnerships with other institutions. This barrier will be overcome by enhancing the existing CTF (GPTF) to meet international governance standards, building on partner projects to create the enabling environment including policy frameworks for sustainable financing mechanisms and initiating these through pilot implementation.

To overcome these barriers, Namibia intends to shift its current PAN financial model towards a new model that drives diversity of sustainable financial mechanisms linked to management improvement resulting in safeguarding the existing protected and conserved area network and expanding it. This GEF project will be a key catalyst towards achieving this vision.

[1] The detail of how this project and the KFW SFP will align is shown in section “Coordination and Cooperation with Ongoing Initiatives” below.

[2] MEFT (Ministry of Environment, Forestry and Tourism), 2018, Namibia 6th Report to the CBD. MEFT, Windhoek. Available at: <https://www.cbd.int/doc/nr/nr-06/na-nr-06-en.pdf>

[3] Namibian Association of CBNRM Support Organisation, <http://www.nacso.org.na>

[4] CBNRM is based on the understanding that if natural resources have sufficient value to rural communities, and allow for rights to use, benefit and manage, then appropriate incentives for people to use natural resources in a sustainable way will be created. https://meft.gov.na/files/files/CBNRM_20Policy%20Approved.pdf

[5] The MEFT has paid over N\$31. 7 Million since 2019 in offsetting losses caused by Human Wildlife Conflict, according to the Ministerial statement of the year end 2023.

[6] See <https://www.worldwildlife.org/projects/enduring-earth-accelerating-sustainable-finance-solutions-to-achieve-durable-conservation>

[7] See: 1. MEFT, 2023, State of financing protected area management in Namibia – a fact sheet. 2. Van Zyl, H.W., Lindeque, M., Stevens, C.M.D. and Iileka, T. 2022. Developing a Concept for Sustainable Financing for the National Parks in Namibia: Scoping Study. Report to the Ministry of Environment, Forestry and Tourism (MEFT) and KfW. 3. Kuchelmeister, G., Lindeque, M., Stevens, C.M.D. and Iileka, T, 2023, Developing a concept for sustainable financing for the protected areas in Namibia: Feasibility Study. Report to the Namibian Ministry of Environment, Forestry and Tourism (MEFT) and KfW.

[8] Van Zyl, H.W., Lindeque, M., Stevens, C.M.D. and Iileka, T. 2022. Developing a Concept for Sustainable Financing for the National Parks in Namibia: Scoping Study. Report to the Ministry of Environment, Forestry and Tourism (MEFT) and KfW.

[9] Ibid.

[10] MEFT, 2023, State of financing protected area management in Namibia – a fact sheet. Updated based on 2024 MTEF

[11] Van Zyl, H.W., Lindeque, M., Stevens, C.M.D. and Iileka, T. 2022. Developing a Concept for Sustainable Financing for the National Parks in Namibia: Scoping Study. Report to the Ministry of Environment, Forestry and Tourism (MEFT) and KfW. The last column of the Table has been added.

[12] Ibid

[13] There are two exceptions. In Bwabwata NP, fees from the two hunting concessions are shared 50-50 between MEFT and the Kyaramacan Association, the representative body for the Khwe (San) residents in the park

[14] Meyers, D., Bohorquez, J., Cumming, T., Emerton, L., Heuvel, O.v.d., Riva, M., and Victurine, R. Conservation Finance: A Framework, Conservation Finance Alliance, 2020, www.cfalliance.org DOI: 10.13140/RG.2.2.14186.88000

[15] Three key marine initiatives that collectively could bring marine protection to 21% are: 1) The project Strengthening Namibia's Marine PAs management and improving livelihood opportunities of coastal communities, funded by Blue Action Fund (BAF), Oceans 5, Shark Conservation Fund, Royal Society for the Protection of Birds (RSPB) and implemented by the Namibia Nature Foundation (NNF) as the lead grantee with others. 2) The MARISMA project (Marine Spatial Planning in the Benguela Current Large Marine Ecosystem Project) which supports the registration of five EBSAs (Ecologically and Biologically Significant marine) already registered with the CBD to either be proclaimed as additional Marine PAs or OECMs, funded by Germany through GIZ. 3) GEF 7project National planning for an inclusive and effective conservation approach to reaching Global Biodiversity Framework Target 3 with WWF Namibia as implementing agency, focussing on establishing a framework for OECMs in Namibia.

[16] GDP data provided by Cirrus Data www.cirrus.com.na. MEFT budget data from published MTEF allocations (Ministry of Finance). Economic impact of tourism from 2022 Namibia Tourism Satellite Account [Namibia Tourism Satellite Account 2022.pdf – Namibia Statistics Agency \(nsa.org.na\)](#)

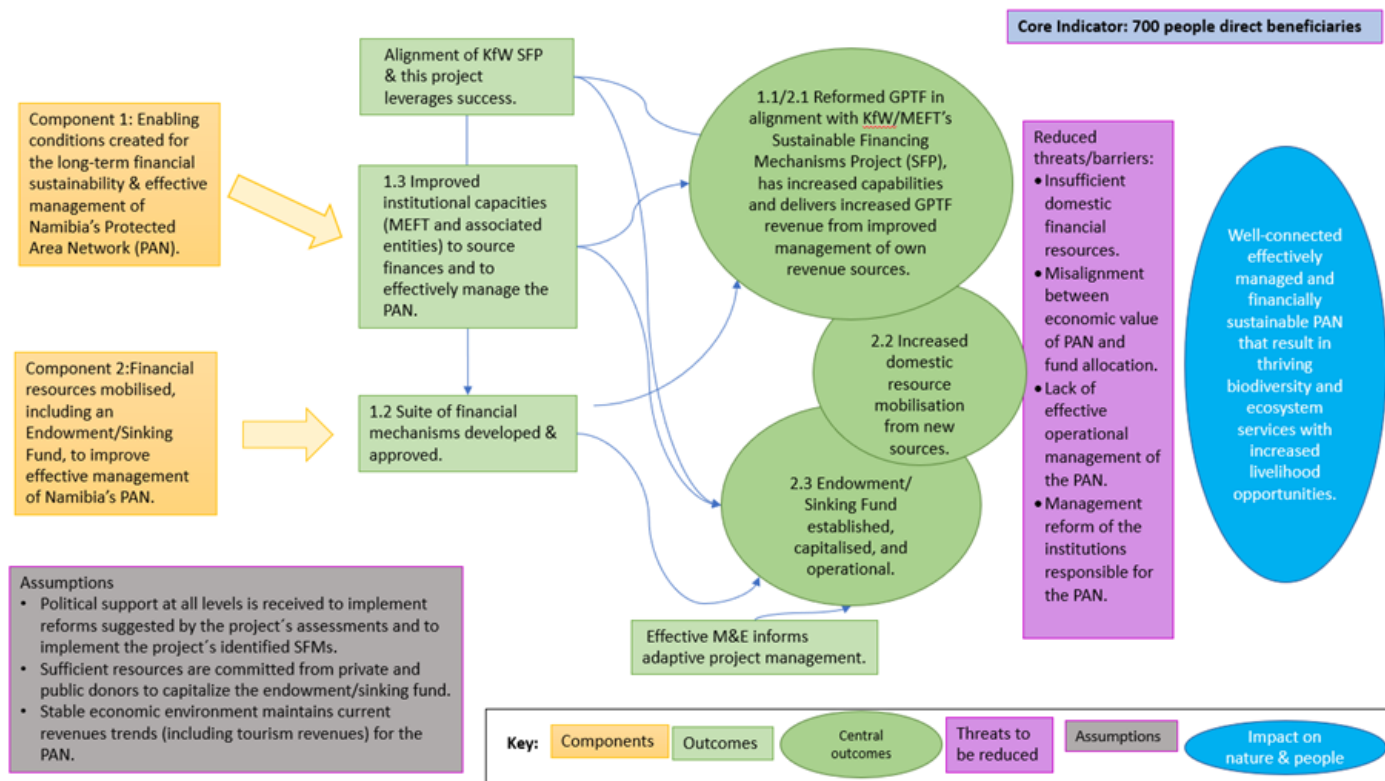
B. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF’s policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

Theory of Change

The projects Theory of Change is shown in the diagram below, with an explanatory narrative thereafter.



Project Strategies, Outcomes and Outputs

The high-level theory of change of this project is that if a suite of new and improved financial mechanisms is mobilizing sufficient resources and if enabling conditions are created including improving the institutional capacities to support long-term financial sustainability and effective management of Namibia’s PAN, then the future financing of Namibia’s PAN will be better secured. Through linking increased funds with improved management, the funds will be used to effect change needed on the ground

to protected biodiversity including creating the conditions for expansion through connected corridors and living landscapes.

This will lay the foundation to demonstrate, in the long term, that a diverse suite of sustainable financing mechanisms will build towards the long-term impact of a well-connected effectively managed and financially sustainable PAN that results in thriving biodiversity and ecosystem services with increased livelihood opportunities.

This project proposes to build this suite of diverse sustainable financial mechanisms through three key strategies: creating enabling conditions for long-term financial sustainability; resource mobilisation including the establishment of an Endowment/Sinking Fund; and improved knowledge management systems.

This section explains the Theory of Change describing per Strategic Component what the Outputs are and why they will lead to the Outcomes. The issues of how relevant stakeholders will contribute to developing and implementing the project, how global environmental benefits will be generated and be enduring, the impact on policy, how knowledge will be generated and shared and the way in which the Project is transformative is addressed throughout the description. Critical assumptions and risks to the project are assessed.

This project albeit focussed on PAN management, creates opportunities for improved gender and social inclusion, particularly concerning the two communities of indigenous people that wholly depend on PAs and reside within them by enhancing the management of tourism and hunting concessions that benefit them, as well as the about 227,941 rural people living within and reliant on communal conservancies and community forests neighbouring PAs. Namibia's rural population is strongly skewed towards women and children due to urban migration of mainly men. Employment of personnel for PAN management is governed by government policy on gender equality and affirmative action for the employment of previously disadvantaged people, including women.

As this GEF project is aligned with the MEFT/KfW SFP, there are certain aspects of the KfW project that will occur first and upon which this project will build. The broad alignment of timelines between the two project is shown in the Table under section "Coordination and Cooperation with Ongoing Initiatives and Projects" below.

Component 1: Enabling conditions created for the long-term financial sustainability and effective management of Namibia's Protected Area Network (PAN).

Outcome 1.1 Reformed GPTF in alignment with KfW/MEFT's Sustainable Financing Mechanisms Project (FSP) has increased capabilities to mobilise and disburse increased revenue.

For the MEFT to effectively use funds for improving management of the PAN, a highly effective and well managed institution is required. Through extensive investigation and consideration of options, the GPTF has been chosen as the best institution that can be realigned to meet the needs. The KfW Sustainable Finance Project, with which this GEF

project is aligned, will ensure that the GPTF is enhanced according to 32 CTF international best practice standards after Enhancement Stage 1 after year 1 and to up to an additional 67 standards in Enhancement Stage 2 by the end of the Project.

Outputs

1.1.1 GPTF implements the core requirements of the global Conservation Trust Fund (CTF) standards that include improved governance, administration, financial, technical systems, and policies including asset & risk management, resource mobilisation, and gender-mainstreaming and women's empowerment.

Women and women-led associations should have equal access to opportunity to participate in governance bodies and decision-making processes.

1.1.2 GPTF has developed and implements a budget allocation and financial management system that includes improved financial gap analysis.

Outcome 1.2 Suite of diverse financial mechanisms developed & approved by MEFT & Treasury.

This project has identified three categories of Financial Mechanisms – with various funding sources - that currently offer good opportunities for the project to pursue to build sustainable financing for Namibia's PAN. These are discussed in the Table under Project Rationale above.

Outputs

1.2.1 In collaboration with Namibian finance, investment development institutions (e.g. EIF) & the KfW SFP, undertake a strategic feasibility assessment of applicable, implementable and gender responsive financial mechanisms that hold good prospects to deliver new finance for the PAN. This will include considering:

- **Carbon & biodiversity credits**
- **Biodiversity /wildlife bonds**
- **Landscape financing approach**
- **Biodiversity offsets & ecological compensation (if assessments during PPG phase confirm that the project can develop a biodiversity offset policy framework that integrates the full mitigation hierarchy,**

following best international practices, and that helps to generate net, positive GEBs, and revenues for PA management)

- Corporates sustainability investment finance
- Friends of Parks
- Recommendations for approval of a suite of financing mechanisms

1.2.2 At least two gender responsive policies from above financial mechanisms developed & approved by the MEFT, for example a landscape financing policy.

Outcome 1.3 Improved institutional capacities (MEFT and associated entities) to source finances and to effectively manage the PAN.

As the intention of developing a suite of financial mechanisms is to utilise this for improved management of the PAN, it is important that the delivery models to achieve the change required on the ground are in place. This outcome will address that matter. Additionally, there is a need for institutional strengthening (of the MEFT and associated entities) for improving the PAN management. Therefore, an analysis will be completed during the PPG phase to identify what elements within the PA system (legal, planning, etc.) require strengthening / improvement. Based on the results of this analysis, specific activities will be included to respond to the identified needs.

Outputs

1.3.1 Gender responsive options study reviewing the current architecture of the institutions (MEFT & associated entities) responsible for managing and operating the PAN to improve income generation and to ensure its effective management. This should include an analysis of the roles of women and women-led organizations in PA management and in relevant decision-making processes to ensure their inclusion.

This study will include:

- Identifying the critical areas requiring reform that will lead to increase effective management of the PAN and increase of domestic resource mobilization within Namibia for the PAN, for example through tourism concessions and/or increased fees and/or establishment of a PAN agency.
- Proposing at least 3 options for institutional reform that will deliver more revenue for PA management.
- **Recommending an Option for approval by the Minister of Environment and the Minister of Finance.**

1.3.2 Implementation of institutional reform and capacity building begins, ensuring gender dimensions are included.

Component 2: Financial resources mobilised, including an Endowment/sinking Fund, to improve effective management of Namibia's PAN.

Outcome 2.1 Reformed GPTF in alignment with KfW/MEFT's SFP delivers increased GPTF revenue from improved management of own revenue sources.

A key part of the suite of financial mechanisms are those that the MEFT can increase through own revenue sources. The GPTF has investigated and concluded that it can significantly increase revenue from its conservation and associated fees.

Outputs

2.1.1 Increased conservation fee developed and implemented by MEFT and GPTF managing and disbursing.

Outcome 2.2 Increased domestic resource mobilisation from new sources.

Sources mobilisation from the two most viable of the new market-related mechanisms will begin. The institutional review will identify the low hanging fruit for a reorganised MEFT and associated entities. For example, the NWR currently doesn't contribute any of the tourism funds it secures from tourists who visit the parks for improved management and steps will be taken so that some of such funds are allocated to improving management on the ground in parks.

Outputs

2.2.1 Implementation of at least two of the new gender responsive financial mechanisms assessed under 1.2.1. above, begins, generating new additional revenue for the PAN. Mechanisms should include gender and social inclusion dimensions.

2.2.2 Based on the Institutional reform options study in 1.3.1 above, harness the low hanging fruit for increased revenue from the recommended reform option/s.

Outcome 2.3 Endowment/Sinking Fund established, capitalized, and operational.

During the detailed planning phase of this project, it will be determined which of the Endowment/Sinking Fund is the most viable to establish. Currently there are two potential sources of seed capital, the EIF and KfW, with further investigation occurring during the detailed planning phase of the project. Provision is made for 46% of the GEF project grant to be used either for the Endowment or Sinking Fund, and a ratio of at least 1:3 is anticipated.

After the GPTF has realigned itself, supported by the KfW project, and it meets the global CTF governance and fiduciary standards, the GPTF will be ready to receive capital for the Endowment/Sinking Fund. If it is ascertained that it is most viable to establish an Endowment Fund that through a competitive RFP process the GPTF will appoint a respected and competent asset manager to invest the capital on low-risk investment mandate. Namibia has a strong set of finance and investment houses to choose from to fulfil this function. A competitive management investment fee is expected of around 1%, and because the Funds will be utilised by the GPTF for management activities at park level that improve management effective there will be no administrative costs for the Endowment Fund. The GPTF will be funded through own revenue and will not draw from the Endowment Fund interests to cover its costs. If it is ascertained that it is most viable to establish a Sinking Fund then the modalities for such will be determined and executed.

Outputs

2.3.1 Once conditions in 1.1.1 met, and after fund raising & screening Fund capitalised, for improved effective management of Namibia's PAN.

2.3.2 Asset Managers for Fund appointed, via call for proposals, with capital invested which starts generating returns.

2.3.3 If Sinking Fund, gender responsive modalities & target indicators for its operations that ensure funds are spent on improving PAN management on the ground, developed & implemented. Operating instruments should include gender and social inclusion dimensions.

M&E

Effective, informed, and adaptive project management.

Under this outcome the PMU and partners will follow an M&E plan to monitor and report on project progress and to adapt as experience grows. The following reports will be provided: Annual Work Plan and Budget; Bi-annual Project Progress Report; Quarterly Financial Report; Annual adaptive management workshop; Mid-term and Terminal Evaluation.

The project will implement a robust gender responsive Monitoring and Evaluation plan that collects both gender and sex-disaggregated data with gender sensitive collection methods and will include gender-specific indicators to record progress in gender mainstreaming efforts and women's empowerment. All project-level reports will include information on the implementation of the gender mainstreaming plan.

Outputs

- M&E reports, including project progress reports, midterm evaluation & terminal evaluation.

- Annual reflection workshops between main stakeholders.

Assumptions and Risks

The key assumptions underpinning this project are:

- **Climate change impacts in Namibia do not significantly draw funds and attention away from the PAN during the project timeframe.**
- **There is sufficient resilience within Namibia and built into project design to weather any economic downturn risk.**
- **Trade-offs made as part of Energy and Mining development deals do not create negative environmental impacts that outweigh the financial benefits.**
- **Sufficient resources – both human and financial – will be realized in addition to that of the GEF project for viable implementation of the project.**

Coordination and Cooperation with Ongoing Initiatives and Project.

Does the GEF Agency expect to play an execution role on this project?

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

The GEF8 investment will build from the following opportunities and linkages:

- The KfW/MEFT's conservation initiatives and programmes, for example:
 - o Namibian National Parks Programme ("NAM PARKS 1-5") of the MEFT, established in 2006 and supported by the Federal Republic of Germany through KfW. Through its several phases, the Programme has focused on improving park management, infrastructure development, biodiversity conservation including development of specific spp. management plans (e.g., elephant, lion, etc.), and community involvement. Currently, MEFT and KfW are designing an "exit" strategy for this Programme, to which the proposed GEF 8 project would align and complement.
 - o The MEFT/KfW "Sustainable Financing Project" (SFP) which will be dovetailed with this GEF project. One of the key advantages that the project has is that the KfW's "Sustainable Financing project (SFP) will start implementation by Q3 of 2024 and the GEF project will be able to build upon it. As the MEFT's operational management funding gap is so significant, both projects are needed, (and more), to find sustainable financing solutions. The ability of the GEF project to succeed is increased through close cooperation with the KfW project. See under Baseline above for how this project and the KfW's SFP will align.
- The strong network of civil society partnerships across Namibia's landscape, for example: WWF-Namibia, Integrated Rural Development and Nature Conservation (IRDNC) and Namibian Nature Foundation (NNF), the Namibian Association of Community-Based Natural Resources Management Support Organisations (NACSO).
 - Private sector and business initiatives
 - o Corporate Namibia's CSR programmes.
 - o The Namibian Environmental Chamber's initiatives.
 - o The conservancy landscape initiatives.
 - Active GEF investments including:
 - o GEF-8 ("Umbrella Programme to Support Development of Biodiversity Finance Plans," (GEF ID 11054; implemented by UNDP). UNDP's BIOFIN project focuses on developing a national biodiversity finance plan, aligned to the new Namibia NBSAP. WWF's GEF 8

project focuses on the on-the-ground implementation of sustainable finance mechanisms to ensure the sustainable finance of the terrestrial component of the PAN network. There are several synergies and complementarities between both projects (including BIOFIN's SFM proposals). Coordination with BIOFIN's project team has been initiated to ensure synergies and avoid duplication. Coordination mechanisms between the two projects will be implemented during the project PPG and implementation phases, and some ideas already discussed include a joint collaborative steering mechanism to oversee both projects, a joint collaborative learning and sharing (L&S) mechanism, etc. During the PPG phase, WWF's project will periodically update BIOFIN's Steering Committee on the progress of the project design and will ensure discussions and contributions from BIOFIN's team to the project strategy, institutional arrangements, KM, learning mechanisms, to ensure alignment of both projects.

- o GEF 7 “National Planning for an Inclusive and Effective Conservation Approach to reaching Global Biodiversity Framework Target 3” (GEF ID: 10916; WWF as GEF Agency, focussing on establishing a framework for OECMs in Namibia)
- o GEF 7 “Enduring Earth: Accelerating Sustainable Finance Solutions to Achieve Durable Conservation” (GEF ID: 11014, WWF as GEF Agency). This project is channelling support to the Namibia for Life (N4L) PFP, focussing on capitalisation of an endowment fund for supporting Namibia's community-based natural resource management programme). The GEF7 N4L/PFP development process is being led by NACSO – the Namibian Association of Community Based Natural Resource Management (CBNRM) Support Organisations (NACSO); MEFT; WWF and Community Conservancies in Namibia. The focus of the GEF-7-supported PFP is community conservancies. While WWF coordinates closely with NACSO and the MEFT, and NACSO and the MEFT provide support to CBNRM, conservancies are self-governed, non-governmental initiatives. The GEF-7 support will ensure effective management and foster economic development by guaranteeing the effective delivery of key services by CBNRM support organizations (NACSO and member organizations, including NGOs/Government/the University of Namibia) and the local Conservancies. Covered extension services will be enumerated in an extension services plan. Extension services support will strengthen management effectiveness and compliance of conservancies with legal requirements for operating as conservancies. The operational budgets of conservancies are funded through tourism and hunting ventures. Financing for extension services would be channelled through a Fund Administrator (still TBD). This is distinct from the support that would be provided under this proposed project to the national system of protected areas. While there is no expected formal institutional relationship between the sinking/endowment funds to be created under this project and the GEF-7 PFP, Namibia's state PAs share more than 70% of their boundaries with conservancies. The operation of the GEF-7 PFP in areas adjacent to national parks or forming part of corridors between parks, conservancies may enhance the viability of PAs, and provide scope for coordination of effort with individual conservancies. The operation of two conservation trust funds presents opportunities for lessons and experience-sharing.
- o GEF 7 “Integrated Approach to Proactive Management of Human-Wildlife Conflict and Wildlife Crime in Hotspot Landscapes in Namibia (HWC-WC)” (GEF ID: 10244, UNDP as implementing agency). The project is supporting four approaches to proactive management of human-wildlife conflict and wildlife crime.

Core Indicators

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	0	0	0	0
Expected metric tons of CO₂e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	0			
Expected metric tons of CO₂e (indirect)	0			
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)				
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	200			
Male	500			
Total	700	0	0	0

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

The direct and medium-term and indirect impact of the project is described below:

- The number of people directly benefiting from the GEF investment includes MEFT staff working in PAs: around 700, estimated 500 men, 200 women, noting that there are in addition at least 400 vacant positions (mostly recently created anti-poaching staff positions) that could not be filled because of the budgetary situation, as well as GPTF board members and staff who will benefit from training/capacity development/planning support etc. (15 estimated: 8 men and 7 women), noting that they are still in the recruiting process.
- As this project is about ensuring long term financial sustainability for effective management and safeguarding of Namibia's PAN, and the timespan of the project is five years, the focus on the project will be on achieving certain finance related milestones, that will take time to translate into improved management on the ground bearing fruit in the medium to long term. These will be measured by achieving the following key targets:
 - o The annual Namibian Contribution through own revenue to management of the PAN has increased by at least 150% after 5 years.
 - o At least two new market-related financial mechanisms have begun implementation.
 - o An Endowment/Sinking Fund has been capitalised and is operational.
- The anticipated indirect and medium-term GEBs expected from the project include:
 - o Impact on the ground on improved effective management of the PAN (across up to 13.9M hectares) will come from the implementation of the PA Management Plans funded by the Endowment/Sinking Fund plus the increased public funding, likely after project close. Financial resources mobilized by the project will be used, in the medium-term, to enhance implementation of PA Management Plans and thus achievement of the desired conservation outcomes in these plans. Each PA Management Plan includes multiple actions and strategies, with annual action plans specifying what will be done within that PA in that year. This project will, through the increased resources mobilized, enable parks to implement prioritized aspects of these annual plans. All PA Management Plans address these objectives: 1) To secure and increase landscape connectivity; 2) To protect and maintain biodiversity ; 3) To develop, implement and maintain regional conservation synergy through effective interaction with all park neighbours and major stakeholders; 4) To maximise regional economic development, based on the principles of sustainable utilisation; 5) To protect and maintain cultural and historic, archaeological, and paleontological assets ; 6) To provide for recreational opportunities to park visitors without compromising environmental values or visitor experience.
 - o These measures will safeguard and significantly contribute to halt biodiversity losses and restore habitats as major input to the KM-GBF of 2022.
- As the PAN is properly resourced and managed, indirect and medium and long term benefits to people will accrue widely including:
 - o Communities in conservancies bordering PAs, who will benefit from improved tourism and hunting concessions, and improved human-wildlife conflict management: 200,000.
 - o Communities in conservancies elsewhere, benefiting as above: 200,000.
 - o Domestic and international tourists visiting parks, benefiting from improved habitat management and conservation management, roads and other infrastructure, quality of visitor experience etc.: 750,000.
 - o Tourism industry operators and personnel in parks, benefiting from improved habitat management and conservation management, roads and other infrastructure etc., quality of visitor experience: 5,000.
 - o MEFT PA staff and families, benefitting from improved roads, infrastructure etc.: 1,500.

Key Risks

	Rating	Explanation of risk and mitigation measures
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CONTEXT

Climate	Moderate	Major drought could occur during the project preparation and implementation phase which could result in shifting of priorities by the MEFT towards spending new funding on urgent drought relief rather than for improved financial and operational management. During project preparation how such an event should be mitigated will be discussed with the MEFT, a key option being for MEFT to secure additional emergency drought relief finance rather than utilizing existing operational funds. A thorough climate risk screen will be completed during project preparation.
Environmental and Social	Moderate	It is expected that the activities this project will focus on during the GEF project period will largely represent a low environmental and social risk. However, it is also within the scope of this GEF project to establish an endowment or sinking fund which might, after the GEF project is over, be used to support activities that may represent a moderate environmental and social risk. As such, these potential risks and their mitigation measures will be considered during project preparation in order to outline the ESS standards that said endowment/transition fund will need to follow.
Political and Governance	Low	Namibia is politically stable with multi-party democratic elections held regularly and timely and in 2024, these are expected to proceed smoothly. In an election year it is possible that development deals, like green hydrogen, may be expedited or used to make election promises but once the elections are completed by December 2024, the new President and Cabinet are expected to endorse a medium-term plan (known as National Development Plan) which is aligned with the sustainable development path for the country. Political and Governance risks describe situations that may interfere with preparation, implementation and the achievement of the project or program outcomes in areas such as the political context of a country or its governance situation. The government, represented by the MEFT, has actively participated through its technical and managerial staff in the design of this project; it is expected that personnel at those levels would be less impacted by such transitions than the upper management levels. Additionally, to mitigate political risks, the project will focus on capacity building for technical staff, ensuring that project outcomes remain resilient in the face of potential high-level political changes. Other weaknesses within the state hold certain risks. For example, corruption is a systemic risk, but this is mitigated by a strong independent judiciary that has resulted in at least two cases where former Ministers are being prosecuted. In the project context, strong project management and oversight (including financial reporting and auditing) will help to mitigate this risk.

INNOVATION

Institutional and Policy	Moderate	One element of the project seeks to improve institutional arrangements of the MEFT and associated entities to source finances and effectively manage the PAN. This involves an options study that will review the current architecture of the institutions (MEFT & associated entities) responsible for managing and operating the PAN to improve income generation and management of the PAN. This study could include proposing an option that involves targeted changes to these organizations and the relationships among them. The risk of opposition to change will be dealt with through careful processes of engagement leading to the submission of a recommended option being submitted to the Minister of Environment and the Minister of Finance for their consideration and approval.
Technological	Low	The project does not support technological innovations and therefore the risk rating is “low.”
Financial and Business Model	Moderate	The very nature of this financing project is that inherently has risks associated with the development and testing of a suite of financial mechanisms. A key mitigation is that this project will dovetail with the MEFT/KfW “Sustainable Financing Project” (SFP). One of the key advantages that the project has is that the KfW’s “Sustainable Financing project (SFP) will start implementation by Q3 of 2024 and the GEF project will be able to build upon it. As the MEFT’s operational management funding gap is so significant, both projects are needed, (and more), to find sustainable financing solutions. The ability of the GEF project to succeed is increased through close cooperation with the KfW project. Finally, having a suite of financial mechanisms will allow for an increase of non-public sector and/or non-tourism related revenues during times of stress, to minimize the risks posed by overreliance in these areas.

EXECUTION

Capacity	Low	Namibia has the advantage that it is a country with a low and cohesive population that has strong institutional capabilities across the public, private and NGO sectors. With past capacity development (by GEF and other partners such as KfW, MCA, UNDP, etc.) investments, the institutional and individual capacities developed and enhanced in the MEFT have enabled them to manage and implement various large-scale programmes of similar scale and scope. These improved capacities will serve as a major mitigation measure to buttress any capacity limitations that external entities cannot perform sustainably. Another measure is to develop an implementation framework that aims to sustain the project results beyond the time frame of the project, which is critical for long-term national aspirations. During PPG phase capacities of the executing agency will be assessed to ensure a successful design that includes mitigation measures to cover any identified barrier preventing a good implementation of the project (taking into account organizational processes, staff with adequate skills and knowledge, extent of reliance on
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		third-party providers, coordination and convening power, as well as the quality of monitoring and evaluation resources and information systems).
Fiduciary	Moderate	The conservation sector has an excellent track record of financial responsibility with donor projects and the MEFT with decades of predominantly clean audit reports. Namibia has good efficiency rating in project implementation. During the PPG phase, WWF GEF will conduct a Due Diligence Assessment that will include financial management and procurement arrangements of the Lead Executing Agency, and mitigation measures to any identified risk will be defined and implemented before and during project execution, in adherence to GEF minimum standards, to ensure a Low Fiduciary risk during project implementation. For resources that may ultimately be directed to a sinking or endowment fund, another potential mitigation is the application of the practice standards for conservation trust funds to ensure optimal governance of financial resources. Particular attention may be paid to the standards relating to governance and finance, administration and operations.
Stakeholder	Low	Stakeholder participation and engagement in the development of the PIF have been good, and this is expected to continue during detailed planning. Initial indications are that this project can align well with the KfW sustainable financing project the detail of which will be finalized during detailed planning. As the KfW's support for the enhancement of the GPTF is a critical requirement for this project, such alignment will receive special attention during detailed planning. A strategy for engaging project stakeholders during the PPG phase will be implemented, to ensure project design is inclusive and includes concerns and priorities expressed by project stakeholders; key stakeholders in project decision-making structures; and other potential multi-stakeholder dialogue processes to support the achievement of the project objective. Of crucial importance, this project will have a comprehensive locally led stakeholder analysis that covers IPLC, to ensure that the principles and aims of an inclusive conservation agenda that is aiming to enhance rights holders and duty-bearers capacities are part of the implementation strategy to be adopted by the project.
Other		
Overall Risk Rating	Low	Overall, the project should be able to mitigate and manage these risks during the project preparation and implementation phases.

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

The catalytic GEF8 investment is aligned with GEF- 8 programming strategies and country priorities, as follows:

- The project will contribute to the GEF8 Biodiversity Focal Area Objective 1 “To improve conservation, sustainable use, and restoration of natural ecosystems”, and Objective 3 To increase mobilization of domestic resources for biodiversity by:
 - o Contributing to securing protection of the existing PAN.
 - o Enabling sufficient and predictable financial resources available, including external funding and mobilizing domestic resources to support protected area management costs; and
 - o Ensuring sustained individual and institutional capacity to manage protected areas such that they achieve their conservation objectives.
- The project is aligned to the country priorities with no contradictions:
 - o Firstly, Namibia National Plan to achieve/exceed Target 3 of the KMGBF.
 - o The country’s fifth National Development Plan (NDP5) which highlights the importance of the PAN for Namibia’s economy.
 - o Namibia’s Second National Biodiversity Strategy and Action Plan 2013-2022 (NBSAP) which details the national strategies and programmes for the conservation and sustainable use of biological diversity under the Convention on Biological Diversity (CBD).
 - o Namibia’s National Gender Policy (2010 – 2020) which provides the broad enabling frameworks for all sectors to mainstream gender in line with priorities set in the NDP5.
- The project is aligned to, amongst others, the following multilateral agreements of which Namibia is a signatory:
 - o The Convention on Biodiversity, specifically the 2022 COP15 agreement including the targets to conserve and manage at least 30% of the world’s lands, inland waters, coastal areas, and oceans + restore 30% of degraded lands by 2030 + secure \$200bn per year for biodiversity.
 - o The United Nations Framework Convention on Climate Change, referencing the 2022 COP27.
 - o The Convention to Combat Desertification, UNCCD, specifically to meet Land Degradation Neutrality targets .
 - o The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

D. POLICY REQUIREMENTS

Gender Equality and Women’s Empowerment:

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

Were the following stakeholders consulted during project identification phase:

Indigenous Peoples and Local Communities:

Civil Society Organizations: Yes

Private Sector: Yes

Provide a brief summary and list of names and dates of consultations

Key stakeholders were consulted during the PIF development as required per GEF policy, which included:

- A two-day PIF design workshop attended by the key stakeholders including MEFT, GPTF, KfW, EIF and NGO partners active in Namibia.
- Ongoing one on one engagements over the past three months with MEFT, GPTF, KfW and EIF on the development of the PIF.
- One on one engagements with select representatives of the NGO, public and private sectors.[\[1\]](#)²⁰

Throughout the life of the project, the stakeholder engagement plan will be implemented, and will represent one of the main mechanisms of addressing gender mainstreaming in the project. Stakeholder engagement will be conducted in a way to ensure participation of men and women, considering constraints for women’s participation, such as those related to their heavy domestic responsibilities, as well as any other marginalized groups such as the elderly, young or other minorities including, but not limited to, indigenous populations. During the project development phase detailed engagements with stakeholders will be held. Effective stakeholder engagement is an essential element of project preparation and will include at least:

- One on one engagement with stakeholder groups and at least two national level stakeholder workshops.
- Include two national online workshops – initial Kick-off workshop and a Validation workshop.

The Table below provides a high-level overview of key stakeholders - the type, the organisation and their possible roles and contribution. Those who were engaged in the development of the PIF are highlighted in grey.

Stakeholder type	Stakeholder organisation	Possible contributions and roles in the project
Government ministries		
Government	Ministry of Environment, Forestry and Tourism (MEFT)	MEFT is the initiator of the project, responsible for protected area management, oversees the Game Products Trust Fund Focal Point Oversight Provision of technical inputs & knowledge sharing Co-financier
	Executive Director	GEF focal point

Stakeholder type	Stakeholder organisation	Possible contributions and roles in the project
		Strategic direction for the project
	Deputy Executive Director	Strategic direction for the project Chairperson of Game Products Trust Fund
	Director of Parks and Wildlife Management	Management of protected areas, biodiversity conservation Responsible for Project Implementation Regulator of communal conservancies Implementer of agreements with resident communities in PAs
	Environmental Commissioner, Department of Environmental Affairs and Forestry	Regulator of development activities in Namibia and PAN
	Director of Forestry	Responsible for State Forest management Regulator of community forests
	Office of the President	Overall policy setting and coordination
	Namibia Investment Promotion and Development Board	Investment promotion and facilitator of private sector investments
	German Development Bank (KfW)	Development support on behalf of the German Government Major funder of major protected area management in Namibia; Initiator of two prior projects on the development of a sustainable financing mechanism for protected areas in Namibia Financier of a partner project to develop a sustainable financing mechanism Co-financing
Statutory bodies		
	Game Products Trust Fund (GPTF)	Management of the Game Products Trust Fund Important source of funding for PAs, designated Endowment Fund after enhancement
	Environment Investment Fund (EIF)	Accredited to Green Climate Fund, domestic resource mobilization and investment for environmental sector
	Namibia Wildlife Resorts	State-owned tourism company operating in PAN
	Development Bank of Namibia	Development financing Potential implementer of biodiversity bonds
NGOs	WWF Namibia	Intended implementing agency Strategic direction for the project
	WWF US	Strategic direction for the project Potential co-financier
	Namibia Chamber of Environment	Coordinating role for CSOs in environmental sector; represent 76 CBOs in Namibia

Stakeholder type	Stakeholder organisation	Possible contributions and roles in the project
	Namibia Nature Foundation The Nature Conservancy Other NGOs involved in landscape conservation	Private sector foundation for fundraising and technical support to conservation Expertise on conservation financing Potential co-financing Experience with landscape conservation
Private sector	Bankers Association of Namibia	Financial sector expertise Change agents within business sectors CSI and ESG experience Potential up takers of sustainable financing mechanisms
	Cirrus Capital	Financial sector expertise Potential implementer of biodiversity bonds
	Chamber of Mines	Change agents within business sectors CSI and ESG experience Potential up takers of sustainable financing mechanisms
	Rossing Uranium	Mining company operating in PAN Potential up taker of sustainable financing mechanisms CSI and ESG experience
	B2Gold	Mining company supporting conservation Potential up taker of sustainable financing mechanisms CSI and ESG experience
	Gondwana Collection	Leading tourism company operating in PAN and managing private nature reserves
Local community organisations and individuals	Communal Conservancies and Community Forests Management Committees	Managers of Communal Conservancies and Community Forests Recipients of socio-economic benefits from PAN

More detail on stakeholder engagement - names of people, organisation, role, purpose/mode of engagement, and date – during the development of the PIF is provided in the in Annex G below.

[1] Details of who was consulted is provided in Annex G.

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

ANNEX A: FINANCING TABLES

GEF Financing Table

Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
WWF-US	GET	Namibia	Biodiversity	BD STAR Allocation: BD-1	Grant	1,519,976.00	136,798.00	1,656,774.00
WWF-US	GET	Namibia	Climate Change	CC STAR Allocation: CCM- 1-1	Grant	135,708.00	12,214.00	147,922.00

WWF-US	GET	Namibia	Land Degradation	LD STAR Allocation: LD-1	Grant	4,484,738.00	403,626.00	4,888,364.00
Total GEF Resources (\$)						6,140,422.00	552,638.00	6,693,060.00

Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount (\$)

200000

PPG Agency Fee (\$)

18000

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non- Grant	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
WWF-US	GET	Namibia	Biodiversity	BD STAR Allocation: BD-1	Grant	49,507.00	4,456.00	53,963.00
WWF-US	GET	Namibia	Climate Change	CC STAR Allocation: CCM-1-1	Grant	4,420.00	398.00	4,818.00
WWF-US	GET	Namibia	Land Degradation	LD STAR Allocation: LD-1	Grant	146,073.00	13,146.00	159,219.00
Total PPG Amount (\$)						200,000.00	18,000.00	218,000.00

Please provide justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
WWF-US	GET	Namibia	Biodiversity	BD STAR Allocation	1,710,737.00
WWF-US	GET	Namibia	Climate Change	CC STAR Allocation	152,740.00
WWF-US	GET	Namibia	Land Degradation	LD STAR Allocation	5,047,583.00
Total GEF Resources					6,911,060.00

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
BD-1-1	GET	1,519,976.00	37830161
CCM-1-1	GET	135,708.00	
LD-1	GET	4,484,738.00	
Total Project Cost		6,140,422.00	37,830,161.00

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Ministry of Environment, Forestry and Tourism	In-kind	Recurrent expenditures	5000000
Recipient Country Government	Game Products Trust Fund	In-kind	Recurrent expenditures	1000000
Others	KfW Investments	Grant	Investment mobilized	28050000
Civil Society Organization	WWF US	In-kind	Recurrent expenditures	1076917
Civil Society Organization	WWF Namibia	Grant	Investment mobilized	2703244
Total Co-financing				37,830,161.00

Describe how any "Investment Mobilized" was identified

Investment mobilized was identified as a range of grant funds coming to Namibia from various public and private sources as listed in the table above.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	Isabel Filiberto	3/19/2024	Director WWF GEF AGENCY	2027796942	isabel.filiberto@wwf.org
Project Coordinator	Robbie Bovino	3/19/2024	Senior Project Manager	5172760488	robbie.bovino@wwfus.org

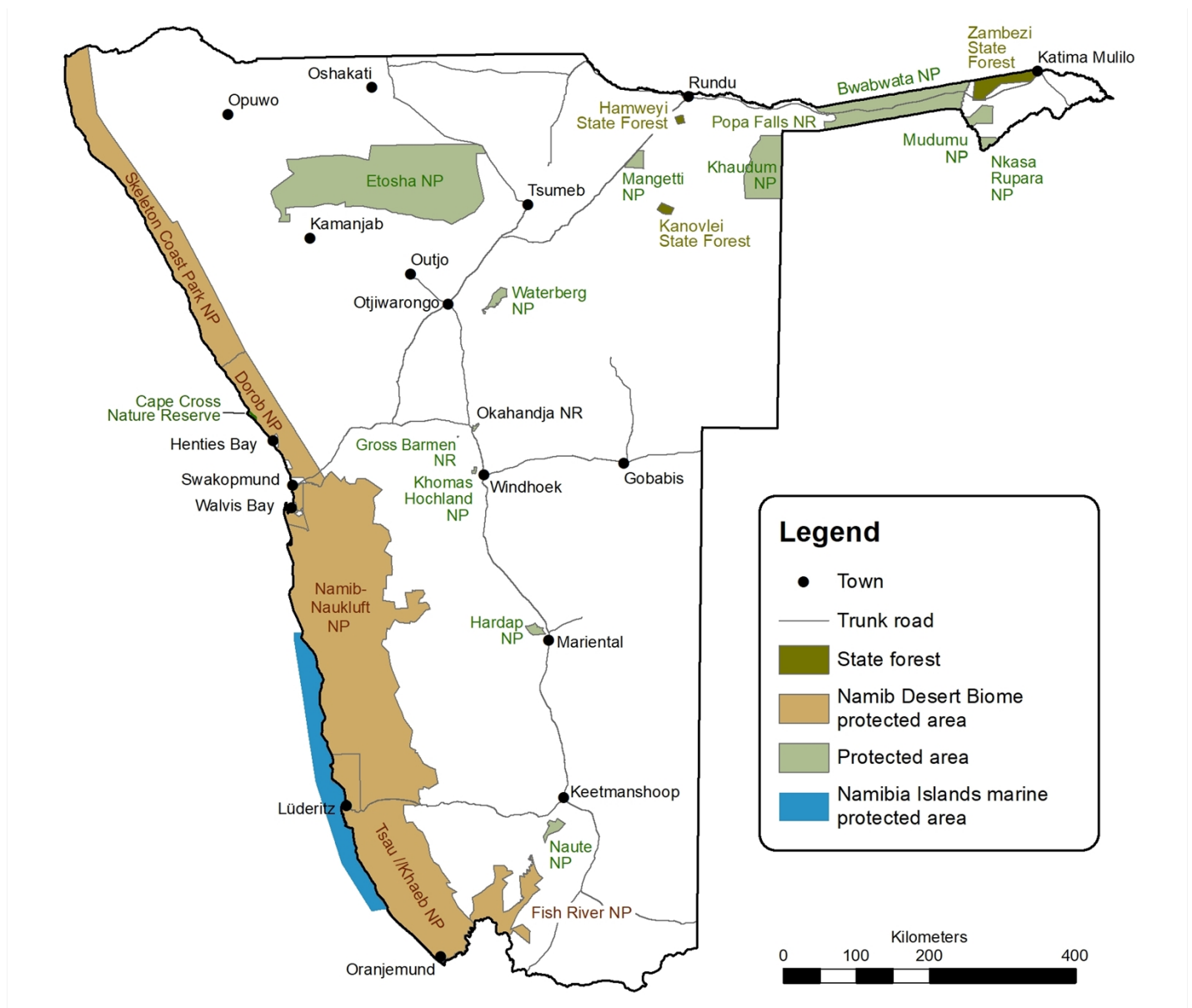
Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)
Mr. Teofilus Nghitila	Executive Director	Ministry of Environment, Forestry and Tourism (MEFT)	3/15/2024

ANNEX C: PROJECT LOCATION

Please provide geo-referenced information and map where the project interventions will take place

The Map below shows the existing Namibian Protected Area network which this project will safeguard, noting that the marine protected area is excluded due to unique characteristics.



ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title

ESSF PIF Namibia Safeguarding the PAN

ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
No Contribution 0	No Contribution 0	Principal Objective 2	No Contribution 0

ANNEX F: TAXONOMY WORKSHEET

Level 1	Level 2	Level 3	Level 4
Influencing Models	Demonstrate innovative approaches.	Deploy innovative financial instruments.	Strengthen Institutional Capacity/decision-making.
Stakeholders	Stakeholder Engagement	Beneficiaries	Local Communities Private Sector Indigenous Communities
Capacity, Knowledge and Research	Capacity Development Learning	Adaptive Management	Indicators to Measure Change Theory of Change
Gender Equality	Gender mainstreaming	Women Groups	Beneficiaries
Focal Area/Theme	Biodiversity Climate Change	PA and Landscapes Species Biomes Financial and Accounting Climate Change Mitigation	Terrestrial Protected Areas Threatened Species Conservation Finance Conservation Trust Funds Grasslands Desert Agriculture, Forestry and other Land Use