

GLOBAL ENVIRONMENT FACILITY
PROPOSAL FOR PROJECT DEVELOPMENT FUNDS (PDF)
BLOCK B GRANT

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| 1. Country: | Croatia |
| 2. Focal Area: | Biodiversity |
| 3. Operational Programme: | Freshwater Ecosystems (OP#2); Forest Ecosystems (OP#3); Mountain Ecosystems (OP#4) |
| 4. Project Title: | Karst Ecosystems Conservation Project |
| 5. Total Cost: | US\$3,500,000 (estimated) |
| 6. PDF Request: | US\$230,000 |
| 7. In Kind Contributions: | US\$23,000 for Preparation |
| 8. Requesting Agency: | World Bank |
| 9. Executing Agency: | State Directorate for the Protection of Nature and the Environment |
| 10. Duration: | Four years |

Project Structure

11. Project Objective

The development objective of the proposed project for GEF funding would be to protect the biodiversity of karst ecosystems in Croatia in a way that is participatory, economically viable, and integrated with the country's socio-economic needs, goals, and plans. The global objective, consistent with the GEF strategy, would be to protect the biological diversity and ecological integrity of karst ecosystems of global value.

12. Global Significance

Croatia is located on the northeastern shore of the Adriatic Sea, bordered by Slovenia and Hungary to the north, the Federal Republic of Yugoslavia to the east, and Bosnia-Herzegovina to the south and east. Although not a large State (56,538 square kilometers with a 4.5 million population), Croatia enjoys unusually rich biodiversity due to its regional differentiation into lowland, mountain (karst) and coastal ecosystems. The proposed project focuses on the mountainous region of Croatia - the Dinarid mountain range. This range runs through Croatia from Slovenia to Bosnia, is primarily karst, and is considered one of the best-developed karst regions in the world, due to the unique interplay of the region's relief, hydrology, climate, and vegetation. The karst features in the Dinarids include hundreds of sinkholes, chasms, underground streams, cavities, stalactites and an estimated 8,000 caves. The karst caves are amongst the deepest and most extensive cave systems in the world and contain small pools, lakes, streams and rivers. These unusual geological features have contributed over time to a vast and varied biodiversity in the karst regions of Croatia. By virtue of their globally significant biodiversity, pieces of the karst region have been singled out for international attention. These include: the Velabit mountain range (within the Dinarids) which is part of UNESCO's Man and the Biosphere Program; and Plitvice National Park which was placed on UNESCO's World List of Natural and Cultural Heritage in 1979. Croatia contains four Ramsar sites.

Specifically, the karst ecosystems include 3,500 species of flora (283 endemic), 12 species of amphibians, 36 species of reptiles (four are endemic species of lizards, *Lacerta Melisellensis*, *Lacerta sicula*), 200 species of resident birds, 79 species of mammals, and 64 species of freshwater fish, of which eleven are endemic species. The subterranean karst habitats support an ever increasing list of newly discovered endemic and trogloditic (eyeless and adapted for an entirely subterranean existence) species and families, including insects, crustaceans, fish, and amphibians, e.g. four endemic species of lizards, and one new species of leech *Croatobranchnus mestrov* (1994). Endemic and relict amphibian species of *Proteus anguinus* are connected with running waters, while stagnant waters are characterized by a higher species of crabs, *Troglocaris anophtalmus*. About 30 different families of the relict genus of *Niphargus* are inhabiting almost all types of underground habitats. In underground waters abundant populations of six endemic fish species of the genus *Paraphoxinus* are found as well as the only species of mollusk *Congerina Cusceri*, the only underground species of sponges, *Eunapius subterraneus*, one species of underground crab, *Spheromides virei mediodalmatina*, and species of *Marifugia cavatica*. Bats are a significant representatives of cave fauna. Apart from the olm (*Proteus anguinus*) and freshwater fish, there are a large number of very different invertebrates, which on the whole are not well researched. A special travertine-building community of the aquatic moss (*Cratoneuron commutatum*) has developed in the karst ecosystems. The blue-green algae on the moss surface participate in the process of extracting calcium carbonate from the water, producing a special form of loose, diaphanous travertine that mirrors the form of moss. The resultant travertine barriers, some estimated to be over 40,000 years old, have led to the spectacular lakes and waterfalls now protected within two National Parks – Plitvice and Krka. A great number of relic taxa originating from the tertiary period survived in Croatia's karst region because it was not affected by thawing. Flora in the region is composed of a series of very ancient tertiary relics, significantly younger glacial relics, numerous post-glacial forms, and a large number of endemic forms. Endemic flowers found only in the karst region include: *Degenia velebitica*, *Sibiraea croatica*, and *Edraianthus pumilio*. Areas of the Dinarids, particularly in the Velabiti, are densely covered by forests. The extensiveness and natural integrity of the forest ecosystem is further evidenced by the prevailing presence of viable populations of large carnivores (wolf, bear, and lynx).

While these karstic ecological conditions have resulted in internationally important biodiversity, they also render the area extremely susceptible to environmental degradation. Due to the rapid influx of water throughout a karst cave system, subtle changes in land use and vegetation cover on the surface can result in immediate and catastrophic changes in the subterranean ecosystems. Currently in Croatia, surface land use allows for a large proportion of natural forest and traditional pastoral land, which provides a buffer for the subterranean ecosystems. The surface ecosystems include sufficiently large tracts of natural forests ecosystems as to support many endemic flora and viable populations of large carnivores, as described above. However, without adequate management and protection of these surface ecosystems, the buffer they provide could easily be damaged, and the subterranean ecosystems could quickly and negatively be affected. The principal threats to biodiversity are: *habitat transformation and degradation* through conversion of existing protected areas for agriculture; urban/rural expansion; tourism and recreational development; and a *weak institutional, policy and legal framework* for the protection and conservation of biodiversity. Underlying these threats is the *general lack of environmental awareness* and the drive to get Croatia's tourist industry back on track as quickly as possible. The projected return of rural residents who fled villages located within or adjacent to protected areas in the karst region during the break up of the Former Yugoslavia war (1991-96), and the need to create economic development opportunities for them pose both a threat to the biodiversity; but also provide an opportunity to demonstrate community-based strategies for biodiversity conservation.

13. Background

Habitat Transformation and Degradation: Croatia, in the past, before the break up of the Former Yugoslavia war, aggressively marketed the country's nature tourism destinations, as part of the larger tourist industry (e.g., Plitvice National Park which had one million tourists in 1988). Pre-war, tourism was the leading economic sector but there was no concept of eco-tourism (defined as, "responsible travel to natural areas which conserves the environment and improves the welfare of local people"), and little now except amongst environment advocates. There was little attention paid to integrated land use planning and natural resource management plans with the protected areas and the local communities. Evidence from a number of studies shows significant levels of degradation of some of the most used protected areas. Particular problems involved deforestation, poor solid waste management, low quality of sanitation facilities, declining water quality, overgrazing; erosion of paths and trails, and habitat destruction caused by unsustainable farming practices. Other studies have identified loss of flora and fauna and reduced travertine growth. With the decline in tourism due to the war, these particular anthropogenic pressures have temporarily subsided. However, other pressures such as increased illegal hunting, deforestation, unsustainable agriculture practices, destroyed infrastructure, and inadequate budget for maintenance and conservation, have taken their place. Now in the post-war period, there is intense pressure to jump-start the tourism industry, the backbone of the economy, and this includes pressure on the national parks to serve as tourist destinations. Given the lack of environmental awareness and the presence of a weak institutional, policy and legal framework, there are serious concerns regarding the maintenance and conservation of the biodiversity in the national parks in the karst region.

Weak institutional, legal and policy framework: Management of all of the nine categories of protected areas including the eight National Parks is delegated to the Government and resides in the State Directorate for Nature Protection and Environment (DoE) via the Nature Parks and National Parks Department. The DoE is a relatively new organization (1998) and lacks the authority and voice of a ministry. The Department of Nature Parks and National Parks is currently rudderless, with no director, only a handful of staff, and a small budget. Functionally, management of the national parks is de-centralized to the park management level with a supervisory board overseeing each park. The National Parks are charged with developing a management plan, but given few resources to do so. Generally speaking, the management plans are weak and do not take into account the local and regional land use development plans for their surrounding areas and usually do not integrate the community in their development actions. A new National Park, (North Velabit, June 1999) has no management plan at all. The Parks generally don't engage in any environmental education/awareness and there is no linkage with the tourism industry. Although economic activity and return to war-torn areas is occurring in and around the National Parks (Plitvice), there is no coordination with reconstruction efforts in the park and in peripheral communities. On the policy level, there are significant issues related to land tenure, conflicting interests, and overlapping institutional mandates that threaten the conservation of biodiversity. There is a weak policy framework for biodiversity conservation and overall lack of, and unreliability of funding for protected areas and specific biodiversity conservation efforts.

14. Project Description

The components of the proposed project would be:

(i) The development and implementation of effective land use planning and natural resource management systems in order to conserve the biodiversity of natural ecosystems in the Dinarid range while contributing to Croatia's economic development in an environmentally sustainable manner.

This component will develop and implement water and land use, and natural resource management plans which integrate biodiversity conservation and sustainable use objectives. Policy and institutional reforms would be supported by the project under this component such as the incorporation of biodiversity conservation into local land use planning strategies; and the promotion of participatory approaches in the development of land use and natural resource management plans.

(ii) Natural resource management capacity building within the four selected national parks. One of the Parks would be selected (based on the results of preparation work) to serve as the management nucleus and the centerpiece of economically and environmentally sustainable development of the terrestrial and subterranean ecosystems in the Dinarid range.

This component would strengthen the local level capacity to plan, implement, regulate and coordinate biodiversity conservation at local and national levels. This component would work through the project sites (each with different threats and opportunities) to demonstrate preparation and implementation of financially sustainable and effective conservation management plans and targeted awareness raising programs in close collaboration with local Zupanija (administrative authorities). The project would support regular thematic meetings; resurrect the now defunct working group of national park directors; initiate systematic sharing of information, staff and resources.

Capacity building on the national level would include coordination/facilitation of: (i) the review, revision and rationalization of national legislation for biodiversity conservation focusing on conflicting/overlapping legislation and institutional mandates; and (ii) "GAP analysis", i.e. an assessment of geographical conservation priorities for the karst ecosystems of the Dinarids entailing identification of the major subterranean hydrological systems and threatened terrestrial plant communities in relation to the existing protected area coverage and anticipated trends in land use; and (iii) implementation of a targeted information and awareness needs assessment and action plan. This component would include activities for monitoring of the ecosystems and species and include the creation of a database of the project sites.

(iii) The development of mechanisms (including economic instruments), institutional arrangements and partnerships, which can be replicated nationally to promote and ensure nature conservation and sustainable development.

This component would identify opportunities for potential win/win scenarios, where conservation/sustainable use could provide both local development benefits as well as global biodiversity conservation benefits. By design, the project will foster a partnership between the concerns of the local populations and the park's administration. It would create positive incentives, e.g. fiscally and in terms of land tenure systems, for conservation as a land use alternative. It would develop appropriate marketing approaches to educate consumers and to make markets transparent so that consumers can more easily choose tourism operators and destinations that provide a positive contribution to conservation. Mechanisms would be demonstrated that capture the revenues of eco-tourism either locally or nationally. A goal of this

component, in concert with component (ii) is to demonstrate the feasibility of financial autonomy for national parks.

This component will develop stronger partnerships with local NGOs and communities as one approach to ensuring sustainability. Environmental NGOs on a national and local level have already demonstrated interest in participating in the proposed project (see attached letters of interest). Under this component, a NGO would support the implementation of small demonstration or pilot projects that support the project objectives.

Project sites: Through a participatory process involving key stakeholders, four national parks have been selected for the project – Plitvice, Paklonica, Risnja, and North Velabit. The project is limited to national parks as these are the most rigorously protected areas in the country and, by definition, contain the biological resources of the highest global significance. Of the eight national parks in the country, the four selected project sites are all in the mountain, karst region. These four parks offer the project a range of biodiversity threats and opportunities; socio-economic conditions; eco-tourism potential; and community-based approaches.

Project Implementation: Overall coordination for project preparation among Government and other stakeholders will be assured by an interagency GEF Karst Ecosystem Steering Committee which will provide guidance to the lead agency in preparing and executing the proposed project. The State Directorate for the Protection of Nature and Environment (DoE) will execute the PDF Block B grant and be the lead agency for project preparation. It is expected that the Ministry for Physical Planning, Building and Housing (to which the DoE reports) will be the lead agency for project implementation.

15. Description of Proposed PDF Activities

A PDF Block B grant is requested for further preparation of the project. The PDF grant would be used to finance the costs of national and international consultants, field surveys to allow for preparation of ecological assessment, research and monitoring plans, workshops, and consultation in the demonstration site areas. The ten specific activities for which the grant would be used are:

I. **Comprehensive Biodiversity Survey:** This activity will prepare a comprehensive survey to determine the existing status of biodiversity in the selected projected sites; the ecological history of the target region; and identify specific threats

II. **Legal and regulatory Review:** This activity will: (i) review the institutional, legal and regulatory framework for conservation management of the selected project sites; (ii) provide recommendations for improvements; and (iii) provide technical assistance in the revision, as needed, of laws and regulations.

III. **Social and Rural Development Assessment:** This activity will include: (i) identification of key stakeholders at the project sites; (ii) analysis of their socio-economic needs vis a vis likely impact on protected area ecosystems; (iii) identification of socio economic aspects of the threats to biodiversity, e.g. the impacts of tourism, local industry, the consumptive use of natural resources (forestry, grazing, hydro-technical works); (iv) assessment of the rural tourism industry and related development, e.g. provision of accommodation, guiding/interpretation; establishment of associated cottage industries, and related impact on biodiversity conservation; (v) identification of mechanisms and rural development options to address these needs in a manner that would also support project objectives; and (vi) identification of mechanisms for the involvement of key

stakeholders in overall project preparation/implementation and management of the protected areas.

IV. Institutional Assessment for Training and Capacity Building Needs: This activity will: (i) assess the structure, staffing and training needs of Government (national and local level) institutions directly involved in biodiversity conservation and project implementation; and (ii) prepare a phased strategic plan and training program which will address the needs of project implementation, and provide the skills that would allow for replication of project activities at other priority conservation sites.

V. Awareness and Education: This activity will: (i) identify conservation awareness and education needs and opportunities afforded by the project's sites through surveys of key stakeholders (e.g. tourism authorities and organizations, tourists, citizens, NGOs, residents within the parks, etc.), focus groups discussion, and stakeholder workshops; (ii) prepare a public environmental awareness program; (iii) prepare an environmental education program, all of which will support project implementation and objectives.

VI. Land and Natural Resource Management Plans Review: This activity will review and analyze the following regarding their strengths and weakness in support of biodiversity conservation: (i) land and natural resource management plans in the environs of each of the project sites; (ii) national park management plans; (iii) Velabit Range Management Plan; (iv) the Ministry of Zoning, Construction and Housing's plan for the "Protection of Space and Environment t of Special Value". Based on the analysis, this activity will identify best practices; recommend revisions to existing national park, local and regional management plans; and recommend a management approach for the new North Velabit National Park .

VII. Economic Analysis: This activity will: (i) identify eligible incremental costs that would be financed by GEF; (ii) review and analyze opportunities for financial sustainability of activities; and (iii) conduct an economic and financial analysis of the project sites.

VIII. Investment Program: This activity will: (i) prepare detailed cost estimates and procurement specifications for all project activities; (ii) prepare a financing and investment plan needed to implement the project; and (iii) identify alternative sources of co-financing to support other portions and "non incremental" aspects of the project.

IX. Regional Collaboration Program: This activity will: (i) identify opportunities to establish mechanisms for collaboration and information exchange among organization involved with conservation of karst ecosystems in adjacent countries and internationally, and with partner institutions in other European countries; and (ii) design a NGO small grants program.

X. Capacity Building for the Project Implementation Unit (PIU): This activity will provide training, technical assistance, and other capacity building opportunities for the PIU which will be an off-shoot of the existing National Environmental Action Plan Coordinating office, also in the DoE.

16. PDF Block B Outputs

The expected outputs of this PDF Block B Grant will contribute to main output which is the full GEF Project Brief. Specifically, the outputs will be:

- Comprehensive survey of biodiversity and threats in project sites and proposed remedial actions in areas under threat
- Strengthened biodiversity legal and regulatory framework and institutional arrangements
- Operation and investment plans for the project sites (four national parks), including establishment of administrative structures that include key stakeholders
- Specific studies and implementation plans in support of project objectives. These will include action plans for institutional strengthening and capacity building; public environmental awareness and environmental education; rural development; and eco-tourism development.
- Agreement with at least one other donor for co-financing elements of the project
- Mechanisms for regional coordination identified
- A full GEF Proposal for an investment package focusing on the four protected areas, which details administrative arrangements for implementation at the central and field level, and includes economic analysis to identify baseline costs, and national and international incremental costs

17. Eligibility

The proposed project complies with GEF operation objectives in the area of biodiversity conservation. It addresses three of the four GEF Operational Programs in the Biodiversity Focal Area: OP 2 (Coastal, Marine and Freshwater Ecosystems); OP 3 (Forest Ecosystems) and OP 4 (Mountain Ecosystems). Consistent with the GEF strategy it:

- Promote(s) the conservation of biological diversity and sustainable use of its components in other environmentally vulnerable areas ... such as mountainous areas
- Establishes and strengthens systems of conservation areas
- Ensures sustainable use by combining biodiversity conservation, production and socio-economic goals
- Incorporates targeted research and promotion of awareness activities
- Includes “conservation or in-situ protection through protections of forest ecosystems by establishing and strengthening systems of conservation areas
- Supports in-situ conservation of areas where a strong emphasis on local management and sustainable use of biological resources should ensure both the integrity of the ecological unit and the active participation and support of local stakeholders
- Emphasizes capacity-building for conservation of protected area staff and local residents, and public awareness
- Seeks to capitalize on the revenue generating potential of the protected areas through options which would include well regulated nature tourism and local-level improvements in the management of natural resources.

Croatia ratified the Convention on Biological Diversity on October 7, 1996. The project supports, through relevant project outputs, Articles 6,8,11 and 13 of the Convention on Biological Diversity, as follows:

- Article 6: Measures on conservation and sustainable use (conservation management plans established with local populations for selected sites of biological and ecological interest)
- Article 8: In-situ conservation (strengthened protected areas and environmentally sustainable development adjacent to protected areas, rehabilitation and restoration of fragile ecosystems)
- Article 10: Promoting sustainable use of components of biological diversity (through national decision-making; adoption of appropriate measures; supporting customary use of biological resources; and remedial actions)

- Article 11: Incentive measures (compensatory program implemented with local populations)
- Article 13: Public education and awareness (improved public awareness on nature protection)

The project responds specifically to the third conference of parties on the Convention on Biological Diversity (1996) guidance through (i) supporting capacity-building at the local level to involve local communities in biodiversity management and monitoring; (ii) use of economic incentives; (iii) promoting conservation and sustainable use through adaptive management of agricultural landscapes and (iv) promoting environmental awareness

As a consequence of the current course of action, regarded as the baseline scenario, Croatia's protected areas will likely continue to be degraded by habitat destruction; poorly-managed recreational users; population growth rates within and around national parks; increased agricultural activity; and a weak policy and institutional framework. The long-term implications of these activities includes the steady loss of globally significant biodiversity. The GEF alternative would build on the baseline scenario and make possible activities and programs that would not be undertaken under the Baseline Scenario. This would include establishing effective inter-sectoral participatory planning and sustainable management of natural ecosystems and associated landscapes at four project sites and thus protecting key freshwater, forest, and mountain karst ecosystems; supporting participatory approaches to sustainable natural resources conservation in key protected areas; strengthening capacity and the field and central levels for planning and managing land-use for conservation and sustainable use of biodiversity; supporting and education and awareness program; mechanisms to reduce non-sustainable resource use; and eco-tourism development. GEF funds will also leverage additional funds for parallel activities supporting protected areas systems and biodiversity conservation. The financial and economic sustainability of the project will be examined through economic analysis to be carried out during project preparation under Block B funds. The "national" benefits would include increased sustainability of natural resource use; greater stability in long term revenues from the natural resource base; increased capacity to manage protected areas; and increased public awareness and support of environment and natural resource issues. "Global" benefits would include the protection and conservation of unique and threatened karst ecosystems and the conservation of their biodiversity; mainstreaming biodiversity conservation in land and natural resource management; outreach to and involvement of local communities and governments; and demonstration of financially and environmental sustainable approaches to natural resource use. Incremental costs of the project will cover project expenditures for components which have global benefits. To calculate the incremental costs of the project, an estimate of baseline expenditures will be made during preparation to establish the current and planned amount of funding on biodiversity conservation and park management.

18. National Level Support

Attached is a letter of support from the Director of the State Directorate for Nature Protection and Environment requesting Block B support for preparation of the karst ecosystem conservation project. The government is fully committed to this project.

The government has shown support to the conservation of biodiversity. Approximately 8% of Croatia's territory is currently under protected area status and existing development plans will double this area by 2005 with a focus on developing corridors of protected areas throughout the Dinarid Range. As an indication of the serious commitment to this endeavor, on April 23, 1999, the government establish two new nature parks; widened the borders of one nature park (Kopacki Rit) and one National Park, and in June 1999, the government established a new national Park, North Velabit, in the karst ecosystem. The December, 1998, "Zoning Strategy and

Program for the Republic of Croatia” under the “Protection of Space and Environment of Special Value” component, identifies preparation and government endorsement of management plans for the national parks as its first priority.

The government agencies responsible for environment have shown a commitment to identifying and prioritizing environmental problems and finding solutions. A national Biodiversity Strategic Action Plan (BSAP) has recently (June 1999) been endorsed by the Parliament.). This project is a national priority under the BSAP which identifies conservation of biodiversity in the karst region as a key environmental priority. A National Environmental Action Plan (NEAP) with support from the World Bank’s International Development Fund is currently being prepared.

The project is consistent with the Bank’s Country Assistance Strategy (CAS) for Croatia. The CAS identifies protection of the country’s unusual ecological conditions and rich biodiversity, from mismanagement of land resources and the impacts of the tourism industry, as a priority concern.

This project is directly linked to and could potentially be blended with the Croatia National Environmental Project (NEP), a \$50 million World Bank financed project scheduled for delivery in FY02 (also in the CAS). The NEP will develop an integrated river basin management strategy for the Sava River Basin (which includes project sites for this proposed GEF project) with a goal of biodiversity conservation in the basin. Using an integrated river basin management approach, the NEP will include environmental/infrastructure investments which impact environmental quality in the watershed. It is planned that the karst ecosystems conservation project will develop new approaches to natural resource management within protected areas which can be then more broadly applied to river basin management initiatives for other protected areas in the Sava River Basin. It is expected that the GEF project will guide the implementation of the larger NEP and be an integral part of implementation. The proposed GEF project and the NEP river basin management project are managed by the same person, Ms. Rita Klees, in the Environmentally and Socially Sustainable Development department of ECA, thus ensuring the full linkage of the GEF project into the NEP project as it goes into full preparation in FY01. The larger Bank loan therefore will finance a substantial portion of the baseline costs associated with the removal of the root causes of biodiversity loss.

Links with other activities in the country/region: The Croatia World Bank financed Coastal Forest Reconstruction Project, under implementation, rehabilitates coastal forests destroyed in the war. It involves some capacity building in the forestry sector. This proposed GEF project targets inland forest ecosystems in the Dinarid (karst) region but will utilize lessons learned in institutional arrangements and capacity building from the forestry project.

The Croatia World Bank financed Eastern Slovenia Reconstruction (ESR) Project, under implementation, finances reconstruction of war damaged irrigation infrastructure and includes a GEF medium size grant for biodiversity conservation in the Ramsar site adjacent to the agricultural ESR project sites – Kopacki Rit Nature Park. The government, again demonstrating its support for biodiversity conservation, is contributing US\$1 million to the biodiversity conservation endeavor. Lessons learned from Kopacki Rit will guide design and implementation of the proposed project which is intended to complement the work of the ESR GEF project in nature parks, by focusing on national parks.

Krka National Park has submitted a proposal to METAP to develop a sustainable natural resource management program for the Krka region. The karst ecosystem conservation project is

working closely with Krka and METAP staff in Croatia to identify issues in biodiversity conservation in protected areas and to ensure coordination of activities.

The Dutch government through a local NGO is funding sustainable agriculture pilot scale projects (US\$0.3) in the communities within and around Plitvice National Park. The proposed project will endeavor during preparation to secure Dutch co-financing for the component of the project which involves demonstrations of sustainable land use and agriculture practices.

The government's contribution to the project is expected to include recurrent operations costs as well as taxes and duties and will represent approximately 10% of total project cost or \$350,000.

19. Justification

Block B resources are requested to support preparation of a project that would address the top BSAP priority. Block B funds are needed to help design the identified Karst eco-systems conservation project.

The availability of grant funds would reinforce the Government's commitment to protect biodiversity of global significance and would be a strong incentive for the Government to pursue conservation and related supportive actions. GEF financing would be limited to areas whose conservation has global significance and which currently receive no or insufficient external assistance. Without GEF/Bank support, the current framework to protect biological resources of global significance would not be sufficient to meet long-term conservation objectives.

20. Timetable and Budget

The project development activities are expected to begin in November, 1999. It is expected the GEF project will be presented, possibly in combination with the Bank NEP loan, to the GEF Council in March, 2000.

Budget (US\$)

Activity	GEF Financing	Government	Co-Financing
Comprehensive Biodiversity Survey	20,000	4,000	0
Legal and Regulatory Review	15,000	3,000	0
Social and Rural Development Assessment	60,000	3,000	0
Institutional Assessment for Training and Capacity Building Needs	10,000	1,000	0
Awareness and Education	20,000	2,000	0
Land and Natural Resource Management Plans	35,000	5,000	0
Economic Analysis	20,000	2,000	0
Investment Program	30,000	0	0
Regional Collaboration Program	10,000	2,000	0
Capacity Building for Project Management	10,000	1,000	
TOTAL	230,000	23,000	US \$50 million*

* The preparation of the GEF project will merge into the US\$50million National Environment Project (FY02) preparation which begins July 2000. It is expected that during project preparation other sources of co-financing will be confirmed.