

TO: GEF SECRETARIAT

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: April 14, 1998

TO: Mr. Ken King, Assistant Deputy CEO, GEF Secretariat
"FOR OPERATIONS COORDINATION"FROM: Lars Vidaeus, GEF Executive Coordinator 

EXTENSION: 3-4188

SUBJECT: **PDF Block B Requests**
Request for Bilateral Meeting(s)

Please find attached two PDF Block B requests.

1. **BRAZIL: Expansion and Consolidation of a System of Strict Protected Areas in the Amazonian region of Brazil.**
2. **GEORGIA: Conservation of Forest Ecosystems in the Caucasus Mountains.**

Because of the forthcoming Biodiversity COP IV Meeting in Bratislava, we would like to schedule a Bilateral Meeting not later than April 28th. We would appreciate receiving any comments prior to that date.

You may recall that on March 26th we submitted a Block B proposal for the **PNG Forest and Conservation Project** which we would also like to discuss in a bilateral meeting preferably to take place by April 24th.

Distribution:

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cc: Messrs./Mmes

Kimes, MacKinnon, Castro, Bossard (ENVGC); Schneider (LCC5), Koch-Weser, Redwood (LCSES), Newcombe, Kiernan (ENV), Brylski (ECSRE), ENVGC ISC

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**Global Environment Facility
Proposal for a PDF Block B Grant**

Country:	Georgia
Focal Area	Biodiversity
Project Title	Conservation of Forest Ecosystems in the Caucasus Mountains
Funding Requested	US\$350,000
Counterpart Financing:	US\$ 25,000 Government (in-kind)
Cofunding	US\$100,000 (Austrian Trust Funds, requested)
Requesting Agency:	World Bank
Block	Block B
Block A or B Grant Awarded	None
Executing Agency	Ministry of Environment
PDF Duration:	June 1998 to June 1999
Focal Ecosystems	Mountains, Semi-Arid Lands

Overview

1. Georgia, a mountainous country covering 70,000 km² with a population of 5.5 million people, is situated between the south slope of the Caucasus Mountains, the east coast of the Black Sea and the northern edge of the Turkish Anatolia plain. Forests cover 40% of the country, largely in the Greater Caucasus Mountains (Georgia's northern border), the Lesser Caucasus (its southern border), and in intervening lowlands and foothills. Since the transition, unsustainable timber harvesting, grazing, and game hunting have accelerated, and now pose a major threat to Georgia's rich and diverse biodiversity. In addition, since the transition and the associated economic decline, the region has experienced increasing use by local peoples seeking to reestablish traditional/historical land uses that were disrupted for over 70 years under the former Soviet Union

2. The project would build on existing efforts to develop and implement a protected area plan for the country and improve the knowledge and management of its biodiversity. The proposed biodiversity protection project is linked to a Bank-managed forestry project that would assist the Department of Forestry to improve the management of state forest lands in the Caucasus Mountains, with a range of interventions from the policy level to forest management planning and field practices. The GEF project and a Bank forestry project are being designed together to complement commercial and protective forest practices and the protection of unique and threatened Caucasus ecosystems. Given the urgent threats to Georgian biodiversity, it is proposed that preparation of the biodiversity protection project be expedited. Preparation of the biodiversity protection and forestry projects will be closely coordinated, and linked during implementation. A single Project Implementation Unit would be responsible for both projects.

Project Objectives

3. The general objective of the project is to conserve biodiversity in Caucasus forest ecosystems. The project development objectives are to: (i) establish socially and ecologically effective protected areas; (ii) integrate biodiversity conservation into forestry and range management inside and outside of protected areas; (iii) strengthen institutions responsible for biodiversity

conservation programs; (iv) improve monitoring and applied research on threatened flora and fauna, and effect their recovery; (v) improve public awareness of Georgian biodiversity; and (vi) promote international cooperation in Transcaucasus biodiversity conservation.

Project Description

4. The project will focus on biodiversity conservation inside and outside protected areas in the Caucasus Mountains of Georgia through protected areas activities and the integration of biodiversity conservation objectives into forest and pasture management. The activities will be concentrated in the Central Caucasus and in eastern Caucasus along an altitudinal gradient from 100 to 4000 meters elevation comprising alpine, montane, and lowland forest and steppe.

5. The project components are as follows:

- A. **Protected Area Network.** The project would fund planning activities related to: i) finalizing the country-wide Protected Area Plan which has been prepared by NGOs working with the MoE, Department of Protected Areas, Parliamentary Commission on Protected Areas, Department of Forestry, and other stakeholders, and ii) preparing the proposal for a Central Caucasus national park and collaborating with the forestry sector to integrate biodiversity conservation objectives into a regional plan. These planning activities would be developed in collaboration with regional support groups from government and civil society.
- B. **Biodiversity Protection and Management Inside and Outside of Protected Areas.** Three activities would be carried out: i) prepare and implement management plans for at least three protected areas; ii) develop and implement grazing management plans inside and outside protected areas to effect the restoration of alpine meadow and steppe ecosystems; and iii) integrate conservation into forest management at the landscape level through protection and management of critical habitat for key threatened species, including conservation and sustainable use of non-timber species in production forests.
- C. **Policy and Institutional Development.** This component would review GoG policies and institutional arrangements that affect land use and resource management, especially as they relate to the biodiversity conservation objectives of the project.
- D. **Biodiversity Monitoring and Applied Research.** The project would develop the knowledge of Caucasus forest ecosystems needed to improve its protection and management. This would be accomplished through monitoring and applied research, inventories, and synthesis of the results into conservation plans for critical habitats inside and outside of protected areas. Because of the transboundary nature of wildlife and threats, responsible agencies from Armenia, Azerbaijan, Russia, and Turkey would be invited to participate in development of the plans.
- E. **International Cooperation.** The project would support international cooperation by developing an action plan for transboundary cooperation for protected areas management and through support for an NGO network in the Caucasus region, including Azerbaijan, Turkey, Armenia, and Russia.

Scope

6. The proposed World Bank/GEF project would be implemented over six years and will include site-specific interventions, regional/international elements (transboundary cooperation, shared research, monitoring, and training programs, and information systems) and national level activities (planning, policy and institutional and legal reform).
7. PDF grant funds are requested for the following activities (summarized in Table 1):
- i) Protected Area Management Planning. Management plan needs will be identified for three or more protected areas. This activity will include workshops with key stakeholders to introduce participatory plan development and gain consensus on the project and protected area objectives. Full management plans will be prepared under the project. Operational plans for grazing and habitat conservation plans will be developed for up to four sites adjoining protected areas.
 - ii) Social Assessment and Public Participation Plan. A Social Assessment (SA) that targets local populations which utilize the three priority project sites for hunting, fishing, grazing, and agriculture would be prepared and incorporated into the project to improve the effectiveness of project design and identify potential social risks. A particular focus of the plan will be strengthening of the regional support groups assembled from local representatives of GOs and NGOs for promotion of protected areas program.
 - iii) Public Education and Awareness. Design targeted public information, awareness, and education programs. The project would emphasize the areas around protected areas covered under the project, and therefore would be largely local and regional in scope. There would also be national level activities.
 - iv) Legal, policy, and institutional framework for the project. The key policy, institutional, and legal issues related to biodiversity conservation inside and outside protected areas will be reviewed. This will yield recommendations for an administrative and organizational framework for protected areas, including opportunities for NGO involvement and community participation in conservation and management.
 - v) Professional development and training needs. This will involve assessment of the current expertise, structure, and training needs of governmental and non-government institutions to identify appropriate institutional arrangements for project implementation; and preparation of a phased strategic plan and training program.
 - vi) Investment Plan. In addition to the elements described above, an investment plan would be produced that includes detailed cost estimates and specifications for project implementation. The plan will include incremental cost analysis to identify expenditures that would be financed by GEF, and will identify alternative sources of co-financing to support other portions and "non incremental" aspects of the project.
 - vii) Coordination Workshop. A coordination workshop will be held at the end of preparation. The purpose of the workshop will be to discuss the draft preparation report and to explain

World Bank procedures for project implementation.

Eligibility

8. Georgia ratified the Convention on Biological Diversity in June 1994 and is signatory to the Bonn and Berne Conventions, the Bucharest Convention for the Black Sea, and the Convention on International Trade of Endangered Species.

National Level Support and Links with National Biodiversity Conservation Priorities

9. The proposed project builds on the results and recommendations of previous and on-going dialogue with the Government and NGOs on Georgian conservation priorities. An important indication of support is that the Project has been developed since 1993 by Georgian NGOs working in collaboration with various ministries and the Parliamentary Commission on Protected Areas, with the support of President Schevardnadze. The project activities are fully consistent with the draft National Environmental Action Plan (now nearing completion) and are identified as national priorities in the following strategic documents:

- i) Georgia National Biodiversity Strategy/Action Plan: The National Biodiversity Strategy/Action Plan (BSAP), now in preparation, identifies the project region as a center of Georgian biodiversity, and the project activities as the highest priority for improving the protection of threatened ecosystems. This proposal is consistent with the biodiversity planning exercises regarding the significance of Georgian biodiversity, the priorities for its protection and management, and the specific areas targeted for development and implementation of the Georgia National Park Program.
- ii) Forest Sector Studies. The Bank's Forest Policy Note (1997) and the Forest Sector Strategy (draft, 1998) identify challenges to sustainable forestry in Georgia, and the need to broaden the mandate to provide better protection to forest biodiversity. The Forest Sector Strategy, prepared for the National Environmental Action Plan, identifies the need to develop interdisciplinary forest planning, including through the integration of biodiversity conservation. It also recommends improvements to: the classification system of forest lands based on ecological, economic, and social assessment; revenues from, and financing for, forest management; and more job opportunities for rural communities. All of these recommendations are consistent with the GEF biodiversity project.

Justification for PDF Support

10. This project is consistent with the GEF operational strategy for biodiversity conservation, especially the OPs on Mountain and Forest Ecosystems and Semi-arid Ecosystems. It addresses conservation activities defined as priorities in the Georgia national biodiversity strategy, prepared with GEF support. The project will support *in-situ* conservation and sustainable use through extending protected areas in the Caucasus Mountains and by promoting forest management consistent with biodiversity objectives. It responds to COP III guidance by promoting capacity building, especially for NGOs; promoting conservation and sustainable use through adaptive management of forest landscapes, and meets the objectives of other international conventions.

11. The project is consistent with Article 8 (*in-situ* conservation) of the convention on biological diversity as it will support protection, management and extension of protected areas in a region of internationally important biodiversity; promote environmentally sound and sustainable development in areas adjacent to protected areas, with a view to assuring protection of these areas; promote recovery of threatened species through the development and implementation of plans and management strategies; and will support maintenance of viable populations of threatened and endangered species within and beyond protected area boundaries. The project is consistent with CoP3's emphasis on intersectoral cooperation in natural resource biodiversity conservation, building capacity in local institutions and communities, strengthening the involvement of local peoples, promoting environmental awareness, and improving the dissemination of information.

12. The project is consistent with Agenda 21 and guidance from the CoP since it will promote conservation, management and sustainable use of threatened and endangered species; strengthen the involvement of local communities and build partnerships at the local, national and regional levels, and promote cost effective measures to conserve biodiversity, including economic incentives and alternative livelihood opportunities for local communities.

13. The items to be financed and the expected preparation costs are summarized in the table below.

Project Component	GEF	GoG	Co-financing	Total
Protected Area Management Planning	170,000	10,000	50,000	230,000
Social Assessment and Public Participation	55,000	5,000	10,000	70,000
Public Awareness and Education	25,000	5,000	10,000	40,000
Legal, Policy, Institutional Assessment	50,000		20,000	70,000
Professional development and training needs	25,000	5,000	10,000	40,000
Project Coordination/Travel Costs	25,000			25,000
Total	350,000	25,000	100,000	475,000

Expected Outputs

14. The expected outputs of this PDF Block B grant will be:

- i) Management plan guidelines and investment plans for three protected areas, including professional development and training and public education and awareness activities;
- ii) operational plans for up to four grazing and habitat conservation plans adjacent to key protected areas;
- iii) a social assessment and public participation plan for up three target protected areas;

- iv) an assessment of policies, protected areas legislation, and institutions, with recommendations for frameworks to facilitate project implementation; and
- v) an investment package focusing on the five project components.

Project Implementation

15. The Ministry of Environment (MoE) will be the main implementing agency responsible for preparation of the project. Because the project requires substantial commitments from the Department of Protected Areas, Department of Forestry, and NGOs, a project steering committee comprised of representative of each of these will coordinate project implementation. Individual project subcomponents will be implemented by the Department of Protected Areas, MoE, Department of Forestry, and NGOs.

Expected Date of Project Preparation Completion

16. Project preparation is expected to be completed by April 30, 1999.

Implementing Agency Task Team Leader

Phillip Brylski, ECSRE

April 14, 1998

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