



**PROJECT IDENTIFICATION FORM (PIF)**

**PROJECT TYPE:** Medium-sized Project

**TYPE OF TRUST FUND:** GEF Trust Fund

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**PART I: PROJECT INFORMATION**

Project Title:	<b>Rhino Impact Bonds: An Innovative Financing Mechanism for Site-Based Rhinoceros Conservation</b>		
Country(ies):	Global	GEF Project ID:	5721
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5382
Other Executing Partner(s):	Zoological Society of London (ZSL)	Submission Date:	March 07, 2014
		Resubmission Date:	March 26, 2014
GEF Focal Area (s):	Biodiversity	Project Duration (Months)	36
Name of parent program (if applicable):	N/A	Project Agency Fee (\$):	163,543
	<ul style="list-style-type: none"> <li>• For SFM/REDD+ <input type="checkbox"/></li> <li>• For SGP <input type="checkbox"/></li> <li>• For PPP <input type="checkbox"/></li> </ul>		

**A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK:**

Focal Area Objectives	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
<b>BD-1: Improve Sustainability of Protected Area Systems</b>	GEFTF	1,721,500	5,164,500
<b>Total Project Cost</b>		<b>1,721,500</b>	<b>5,164,500</b>

**B. INDICATIVE PROJECT DESCRIPTION SUMMARY**

<b>Project Objective:</b> To demonstrate a scalable financing mechanism for standardized site-based actions to conserve globally important rhinoceros populations						
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
1. Diversifying sustainable financing for rhinoceros conservation sites through creation of a Rhino Impact Bond mechanism.	INV	Diversified sustainable funding for rhinoceros conservation.  Indicator: - Donor-backed rhino impact bond trust fund with secured* funds from up to 3 private investors for up to 10 priority	Agreed site-level selection criteria for rhino bond investment, linked to voluntary international management effectiveness guidelines (as defined in Component 2). [Yr 1]  Established financial structure of a rhino impact bond, based on financial modelling using data supplied, in at least 5 rhinoceros-priority conservation sites (including the costs of management, risks and appropriate outputs and outcomes metrics) and potential investors and donor governments. [Yr 1]  Established rhino impact investing stakeholder group (composed of potential initial investors and donor governments) sensitised to the rhino impact	GEFTF	1,440,000	4,320,000

		<p><i>rhinoceros conservation sites by end of year 3. Diversification will be measured against baseline private and public sector grants and/or investments in the priority sites, where * signifies 'in principle' support from investors for the required capital.</i></p>	<p>bond concept. [Yr 1]</p> <p>Established legal entity, bond management body, trust fund, ESG policy, governance structure and 3rd party verification procedures (linked to voluntary international management effectiveness guidelines defined in component 2). [Yr 1]</p> <p>Up to 5 priority rhinoceros conservation sites in Africa and Asia registered with the bond management body; and committed by their site managers to follow stepwise management effectiveness improvement process as a requirement for pilot rhino impact bond investment. [Yr 1]</p> <p>Up to 3 financiers committed to supporting full implementation of the rhino impact bond by making performance-based payments (in Yr 3), based on the bond structure established, expressed demand from impact investors and evidence base for success derived from up to 5 sites' management baselines and established, costed action plans (from Component 2) to improve management effectiveness via the bond. [Yr 2]</p> <p><i>Piloted investments:</i> Up to 5 rhinoceros conservation sites funded using the project's total available funds to make management effectiveness improvements against baselines and in line with action plans based on voluntary international guidelines (from Component 2). [Yr 2]</p> <p>Performance-based payments by donors into trust fund triggered by performance metrics improvements (measured, reported and verified) in up to 5 rhinoceros conservation sites. [Yr 3]</p> <p>Established full implementation phase investment opportunities portfolio, based on costed action plans developed by up to 10 rhinoceros conservation site managers in accordance with the voluntary international management effectiveness guidelines. [Yr 3]</p> <p>Private investors identified (from the investing stakeholder group) by the rhino impact bond management body. [Yr 3]</p>			
2. Setting voluntary international guidelines for site-based rhinoceros conservation	TA	Rhinoceros conservation improved at up to 5 selected sites as a demonstration of the voluntary guidelines (and investment	Published international voluntary management effectiveness guidelines for high-value species in conservation sites (focused initially on rhinoceros), endorsed by at least 2 rhinoceros range State conservation agencies, the IUCN's World Commission on Protected Areas (WCPA) and Species Survival Commission (SSC), the United for Wildlife (UfW) implementing partners (Conservation International, Fauna and Flora	GEFTF	125,000	375,000

	<p>process (see Component 1)).</p> <p><i>Indicator:</i></p> <p>- Up to 5 sites have achieved target levels of site management through the application of the voluntary guidelines by year 3.</p> <p><i>Management improvements achieved by the project will be measured against the baseline using the relevant management effectiveness tracking tool (METT), at beginning and end of the demonstration period.</i></p>	<p>International, IUCN, The Nature Conservancy, Wildlife Conservation Society, WWF and ZSL). (Guidelines built on existing standard operating procedures and best practices in rhinoceros range States, the Conservation Assured/Tiger Standards (CA TS) model and the IUCN Green List.) [Yr 1]</p> <p>An international governance structure including: (a) an established independent international guidelines committee with representation from relevant stakeholders with an agreed terms of reference; (b) established independent national guidelines committees in at least 2 pilot rhinoceros range States with representation from relevant stakeholders and an agreed terms of reference; and (c) key site-level and national-level stakeholders sensitised to and adopt the guidelines as a means to achieve site-level and national strategies for rhino conservation;</p> <p>Completed management effectiveness self-evaluations (against the voluntary guidelines) by management bodies of up to 5 rhinoceros-priority conservation sites. [Yr 2]</p> <p>Identified and documented: (i) management effectiveness gaps; (ii) established theories of change; and (iii) action plans needed to address the gaps in up to 5 rhinoceros-priority conservation sites. [Yr 2]</p> <p>International voluntary guidelines followed and systems in place for protecting rhinoceros populations and promoting rhinoceros population growth over the long term in up to 5 sites, as a proof of concept for building investor/donor confidence in the rhino impact bond. [Yr 3]</p> <p>Up to 5 rhinoceros conservation sites ‘approved’ by national committees of the voluntary management guidelines (based on results from pilot investments in Component 1), in consultation with the international committee. [Yr 3]</p>			
	<b>Subtotal</b>			1,565,000	4,695,000
	<b>Project Management Cost (PMC)</b>		GEFT F	156,500	469,500
	<b>Total Project Costs</b>			<b>1,721,500</b>	<b>5,164,500</b>

**C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)**

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
NGO	Zoological Society of London	In-Kind	164,500

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
NGO	The Royal Foundation	Grant	4,900,000
GEF Agency	UNDP	Grant	100,000
<b>Total Cofinancing</b>			<b>5,164,500</b>

#### D. INDICATIVE TRUST FUND RESOURCES (\$) REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY<sup>1</sup>

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (\$) (a)	Agency Fee (\$) (b) <sup>2</sup>	Total (\$) c=a+b
UNDP	GEFTF	Biodiversity	Global	1,721,500	163,543	1,885,043
<b>Total Grant Resources</b>				<b>1,721,500</b>	<b>163,543</b>	<b>1,885,043</b>

#### E. PROJECT PREPARATION GRANT (PPG)

Please check on the appropriate box for PPG as needed for the project according to the GEF Project Grant:

	<u>Amount</u>	<u>Agency Fee</u>
	Requested (\$)	for PPG (\$)
• (upto)\$100k for projects up to & including \$3 million	<b><u>\$100,000</u></b>	<b><u>\$9,500</u></b>

## PART II: PROJECT JUSTIFICATION

### A PROJECT OVERVIEW

#### A.1. Project Description.

##### *Global environmental problems, root causes and barriers that need to be addressed*

This project addresses the global environmental problem of the illegal hunting and poaching of rhinoceros and the resulting risks to rhinoceros population growth and persistence. The project is in line with existing national strategies and national priorities for rhinoceros range States in Africa and Asia. Further, it is being developed in coordination with the IUCN Species Survival Commission (SSC) African and Asian rhino specialist groups. The main threat to rhinoceros conservation is caused by the increasing demand and very high prices being paid for rhinoceros horn, which fuels escalating poaching. In Vietnam, retail prices of US\$ 50,000 to US\$ 65,000 per kg have been quoted in the media, higher than the price of gold. Demand for illegal wildlife products is reportedly increasing in Southeast Asia due in part to the region's economic boom and resulting affluence<sup>1, 2</sup>.

The global illegal wildlife trade is valued at US\$ 5-20 billion per year and is the fourth most lucrative global crime after drugs, human-trafficking and arms<sup>3</sup>. There is clear evidence that the illegal trade in rhinoceros horn is at its highest level for 20 years, which is threatening to undermine the gains made from years of conservation efforts. South Africa, which conserves 82% of Africa's rhinoceros and has a strong conservation track record, has emerged as the centre of rhinoceros killing, in absolute terms. Between 1990 and 2005, rhinoceros poaching losses in South Africa averaged 14 animals each year but poaching dramatically increased in 2008 and has been exponentially increasing since, reaching a total of 1,004 in 2013<sup>4</sup>. The South African poaching trend has to some extent been replicated in Kenya which suffered a spike in poaching in 2013 and whose poaching in relative terms is now slightly higher than South Africa. Poaching in Zimbabwe peaked in 2008 but, in contrast to Kenya and

<sup>1</sup> Corlett, R.T. (2007) The Impact of Hunting on the Mammalian Fauna of Tropical Asian Forests, *Biotropica*, vol. 39, no. 3, pp. 292-303.

<sup>2</sup> Lockwood, K. (2013). *The dynamics of the market for rhino horn and the implications of different policy choices*. In Proceedings of 2013 IUCN SSC AfRSG meeting. IUCN SSC African Rhino Specialist Group.

<sup>3</sup> Wyler, L.S. & Sheikh, P.A. (2009) *International Illegal Trade in Wildlife: Threats and U.S. Policy*. Congressional Research Service. [http://assets.opencrs.com/rpts/RL34395\\_20090202.pdf](http://assets.opencrs.com/rpts/RL34395_20090202.pdf)

<sup>4</sup> Department of Environmental Affairs (2014). *Update on rhino poaching statistics* (17 January 2014 update). Department of Environmental Affairs, Republic of South Africa. Retrieved January 28, 2014, from [https://www.environment.gov.za/mediarelease/rhinopoaching\\_statistics\\_17jan2014](https://www.environment.gov.za/mediarelease/rhinopoaching_statistics_17jan2014)

South Africa, has been declining. It remains very low in Namibia but there is a risk it could spread there<sup>5</sup>. As poaching escalates at a continental level, a tipping point could be reached where the African rhinoceros population as a whole starts to decline. Under a worst-case scenario, the tipping point could be reached as soon as mid-2014<sup>6</sup>. Despite the efforts of range State governments and civil society, the future of rhinoceros populations is uncertain and requires a rapid scaling-up of protection measures. There is an urgent need to tap into new sources of finance that can provide the speed and scale needed to meet the challenge. This project aims to develop an innovative financing mechanism that catalyses and supports cost-effective front-line conservation management efforts. This project will add a new element to the conservation finance ‘toolbox’ currently available to civil society and governments, in support of site-level and national rhinoceros conservation targets. While this demonstration project is focused on key rhinoceros populations, the financing mechanism would be applicable to other high-value species dependent on site-based conservation efforts. This project addresses two key barriers that lie in the way of a long-term solution for rhinoceros conservation.

## **1. Lack of Sustainable and Large-Scale Finances**

Site-based protection of rhinoceros and other high-value species has high set-up costs and requires consistent long-term funding, which is often lacking. Current protection efforts are dependent upon significant range State expenditure, but the general decline in the budgetary outlays for the wildlife sector in most African countries is a recurrent development. Resources are currently insufficient to adequately protect some rhinoceros populations. Just at a time when private sector funding is needed to bolster conservation efforts, there is a trend towards disinvestment by some in the private sector who cannot afford the increasing costs and risks of protecting rhinoceros coupled with declining incentives for conserving rhinoceros. Various projects are in place to support rhinoceros conservation in African and Asian reserves but they are driven by a variety of agendas. There is often no strategic approach and funding is allocated on the whim of donors or to projects that interest them and not towards strategic priorities.

## **2. Insufficient Support to Effective Management and Law Enforcement**

The advent of Asian-run criminal syndicates within Africa, and the often-corrupt alliances that they are often able to foster with government officials, has produced a host of new law enforcement challenges that in some situations are too great for existing management systems to handle. One reason for the high poaching rate in South Africa is the border with Mozambique, which runs along Kruger National Park’s long—and hence hard to defend—eastern boundary. Standard operating procedures (SOPs) including effective patrolling and monitoring are vital to site-based law enforcement and management efforts. Even in the best managed areas it is only in recent years that monitoring of rhinoceros populations and threats has begun to be effective and sufficiently rigorous scientifically to be of any value. In areas where populations are well monitored often little is known about the other variables which are impacting rhinoceros. Thus understanding whether a population has a positive or negative trend is important but not very useful when there is limited understanding as to why it is negative and it is not possible to manage adaptively to deal with it. A recent review of the four main African rhinoceros range States (South Africa, Kenya, Namibia and Zimbabwe) found that the provision of basic equipment and training is vital but often lacking due to financial constraints<sup>7</sup>. To maintain ranger motivation in the face of increasingly well-armed poaching teams it is important that they have basic equipment, including good tents and adequate clothing, plus proper housing at base. The critical need for minimum densities of trained and motivated staff engaged in anti-poaching has long been recognised<sup>8</sup> and yet a lack of a standardised management response—and the funding needed to implement it—is hampering anti-poaching efforts.

### ***Baseline scenario and any associated baseline projects***

<sup>5</sup> Standley, S., & Emslie, R. H. (2013). *Population and Poaching of African Rhinos across African Range States* (p. 9). doi:[http://dx.doi.org/10.12774/eod\\_hd078.oct2013.standley](http://dx.doi.org/10.12774/eod_hd078.oct2013.standley)

<sup>6</sup> Emslie, R. (2013) Unpublished briefing of the IUCN SSC African Rhino Specialist Group.

<sup>7</sup> Duffy, R., Emslie, R., Knight, M. (2013). Rhino poaching: how do we respond? Evidence on Demand.

<sup>8</sup> Leader-Williams N., Albon S.D. and Berry, P.S.M. (1990) ‘Illegal exploitation of black rhinoceros and elephant populations: pattern of decline, law enforcement effort and patrol effort in Luangwa Valley, Zambia’, *Journal of Applied Ecology*, 23: 24-28.

In the IUCN SSC African and Asian rhinoceros specialist groups report to CITES COP16, several initiatives are outlined which form the baseline illustrating a significant effort in the conservation of rhinoceros species globally. Botswana, Kenya, Namibia, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe, Indonesia and Nepal all have national rhino strategies that have been developed following stakeholder workshops, although the specialist groups highlight that there is a need for effective coordination and implementation. In South Africa in particular there have been a number of initiatives to deal with the escalating poaching challenge. Measures taken include increased numbers of personnel (rangers, army and police) in selected locations such as Kruger National Park; the formation of an interim National Wildlife Crime Reaction Unit bringing together wildlife investigators, police dealing with organized crime, the national prosecuting authority, revenue services, army and the asset forfeiture unit; the elevation of rhino crime to be a top priority crime; increased intelligence gathering; appointment of experienced advocates to prosecute cases; and regular use of DNA evidence. These efforts have led to increasing numbers of arrests, convictions with significant custodial sentences, and the imposition of significant asset forfeitures and additional fines. In Asia, the greatest successes with rhino conservation have occurred where there has been significant political will and dedicated staff commitment to undertake effective field conservation action. The First Asian Rhino Range State meeting, held in October 2013, produced the Bandar Lampung Declaration which outlines the conservation needs and agreed actions to ensure that all three rhinoceros populations (One-horned, Javan and Sumatran) have grown by at least 3% annually by 2020. In India, anti-poaching and, more recently reintroductions into former ranges, are key components of rhinoceros conservation. Greater one-horned rhinoceros in Nepal's second biggest population are being monitored using ID-based approaches to assist management. The Nepalese authorities are presently preparing a strategy on anti-poaching and illegal wildlife trade. They have also initiated trans-boundary relations with a tiger reserve in India through formal information sharing with officials and local communities. In Indonesia, up to 30,000km<sup>2</sup> of forest have been earmarked in four to five national parks under the plan to secure the future of Sumatran rhinoceros in Indonesia. For the Javan rhino, the immediate action plan target is to increase numbers in the wild through improved biological management and especially the creation of a second population in suitable habitat. Following rapid assessment of potential areas for a second population of Javan rhinoceros, attention has focused on an approximately 150km<sup>2</sup> area near the existing population which has been identified as suitable habitat for the establishment of a second population. This second population would be closely monitored and protected, with unpalatable invasive species, *Arenga* being controlled to improve habitat for the Javan rhinoceros.

The main focus of field activities and projects that have been identified are around the immediate and intensive protection of the remaining rhinoceros populations. South Africa has a federal conservation management system that makes it difficult to ascertain the total national expenditure, but a ballpark estimate is that South Africa expends approximately US\$ 9-19m per annum on rhino conservation activities. Approximately US\$ 2m is spent on rhinoceros conservation in Zimbabwe, with c. US\$ 1.4m spent in privately-managed reserves that contain 90% of Zimbabwe's rhinoceros population in 18 Key and Important<sup>9</sup> populations. Kenya's total protected area budget, managed by KWS, is circa US\$ 80m per annum; of the 47 protected areas – 18 contain rhinoceros. Kenya spends c. US\$ 0.5m per annum per protected area on rhino-related activities (in addition to non-rhino operational costs such as infrastructure), giving an approximate annual expenditure of US\$ 9-10m per annum. Measures taken have included increasing numbers of rhinoceros rangers; the conversion of rhinoceros scouts on private lands into Kenya Police Reservists; the enhanced use of sniffer, tracker and search dogs at the ports of entry/exit; and the relocation of rhinos from high-risk areas. Intelligence networks have also been strengthened. In Assam's four rhinoceros-bearing areas (Kaziranga, Manas, Orang and Pabitora), the operational costs for overall protection and management expenses (including rhinoceros conservation) are greater than US\$ 5m per annum (excluding salaries of over 1,500 frontline staff). In Nepal the protected area budget for the three rhinoceros populations (Chitwan, Bardia and Shukla) is significantly lower at around US\$ 3-4m per year (WWF provides circa US\$ 1-2m of this). ZSL contributes US\$ 150k per annum for rhinoceros conservation in Nepal. All of the above examples illustrate the need for new and innovative sources of financing to help to maintain

<sup>9</sup> Key and Important populations at a continental scale, as defined by the IUCN SSC African Rhinoceros Specialist Group

these efforts. This project seeks to define a potential new funding mechanism and complement national activities and provide a standardise approach to improve cost effectiveness of management approaches. There are few examples of sustainable financing mechanisms for rhino conservation. Several private and community-based conservancies, e.g. the Save Valley in Zimbabwe and Ol Pejeta Conservancy in Kenya, have developed innovative benefit sharing mechanisms that create incentives for conservation among local human populations. Such locally-relevant ‘business models’ are an important component of the baseline in a number of rhinoceros range States (and will be explored more fully during the PPG stage). However, as noted above, the lack of reliable long-term external financing is a barrier to their sustainability. Major donors, particularly in the African context, include WWF, Save the Rhino International, StopRhinoPoaching.com, International Rhino Foundation, US Fish and Wildlife Rhino and Tiger Conservation Fund (USFWS-RTCF), Save Rhino Australia, and RAGe. The United for Wildlife (UfW) partners are currently working in around 80 rhinoceros conservation sites, providing a broad baseline of activities and projects. In some of these sites, tools such as the Management Effectiveness Tracking Tool (METT) have been used but without consistency. Such tools are important but can suffer from an inherent subjectivity that can mean substantial bias in measurements from year to year and even more bias when managers change and try to repeat the process. While no global conservation standards currently exist for rhinoceros sites, standards for tigers (Conservation Assured|Tiger Standards; CA|TS) have already been developed and are being implemented in a number of tiger sites. The CA|TS comprise 17 elements (including one voluntary element for tiger conservation areas with major tourism objectives) divided into seven “pillars” covering different management issues: *Importance and Status (of the site)*; *Management*; *Community*; *Tourism (optional)*; *Protection*; *Habitat Management*, *Tiger Populations*. The governance structures established for the CA|TS system, e.g. International and National Committees, provide an opportunity to learn lessons, create synergies and cost-savings as other species-focused standards are developed.

Linked to the current move towards global conservation standards for high value species such as tigers and rhinoceros is the development of monitoring tools that are geared to supporting adaptive site management and monitoring against standards and management guidelines. SMART (Spatial Monitoring and Reporting Tool) is a comprehensive ranger-based data collection software and suite of best practices aimed at helping wildlife managers better monitor, evaluate and adaptively manage their anti-poaching patrolling activities. Launched in 2012, SMART is currently being tested across 120 conservation sites in 20 countries by the SMART consortium, which includes UfW partners WCS, WWF and ZSL. The UfW partners have committed to roll-out SMART in over 200 sites that contain high-value species (rhinoceros, elephants, tigers, and pangolins). In addition to SMART, ZSL is working with leaders in the field of technology and communications (including Google, Microsoft Research, Cambridge Consultants, University College London and Iridium) to develop InstantWILD: a wholly integrated surveillance system for conservation sites. A Google Impact Award of GBP £500k to ZSL is being used to develop and deploy state-of-the-art camera traps for anti-poaching activities in Tsavo National Park, Kenya. The rapid improvements in technology need to be coupled with the development of Standards for site-based management, so that the wealth of new monitoring data can be harnessed for adaptive management and reporting to donors and investors.

### ***Proposed alternative scenario, with a brief description of expected outcomes and component of the project***

Within the rhinoceros conservation sites that have been initially assessed for this project design process, there is a large variation in baseline scenarios and projects related to management and conservation of rhinoceros. Nevertheless, an alternative scenario (or long-term solution) is possible in which sustainable finances are delivered to rhinoceros conservation sites demonstrating ongoing effective management performance. The United for Wildlife (UfW) collaboration is convened by HRH The Duke of Cambridge and made up of Conservation International, Fauna and Flora International, IUCN, The Nature Conservancy, Wildlife Conservation Society, WWF and Zoological Society of London. With the support of The Royal Foundation of the Duke and Duchess of Cambridge and Prince Harry, the UfW partnership addresses the need for global coordination on illegal wildlife trade issues and the need for sharing of best practice models as well as innovative solutions. The UfW partners have identified a range of strategies to tackle illegal wildlife trade, including protection, enforcement and demand-reduction measures and have committed to:

- Develop a new United for Wildlife standard for sites with high-value species threatened by wildlife crime, including the identification of successful models for ensuring incentives for local communities to engage with and derive livelihood benefits from conservation.
- Implement the United for Wildlife standard for protection of high-value species at more than 65 sites (with a strong emphasis on community incentives).
- Work with Governments and others including multilateral financial institutions, to increase significantly financial commitments to ending poaching and wildlife trafficking.<sup>10</sup>

In line with the UfW commitments, the outputs and expected outcomes of this project are designed to demonstrate and deliver a model for strengthening site-based protection through a unique combination of innovative finance management effectiveness guidelines/standards. These are broken up into two critical and interlinked project components that address the barriers highlighted above.

**Component 1: Creating a rhino impact bond.** The project will demonstrate that Rhino impact bonds are an innovative way to address the barrier of a *Lack of Sustainable and Large-Scale Finances*, by harnessing novel sources of sustainable finance for conservation. A *rhino impact bond* will be a variant of a Development Impact Bond (DIB); which is in turn based on a Social Impact Bond (SIB). Such bonds are becoming popular in the social and development arenas and are ripe for testing in conservation. The idea behind a social/development impact bond is that long-term donor funding commitments are used to leverage private investment on the basis that if outcomes are verifiably achieved then investors will be paid back (potentially with interest) by the donor. The IFFIm (International Finance Facility for Immunisation; <http://www.iffim.org/bonds/>) is a large-scale example of a commitment-backed bond. By tapping into investment funds rather than relying on traditional grants, such bonds are potentially able to leverage new sources of conservation finance. However, the ability to tap into investment funds may depend on the willingness of government donors to pay interest. Initial discussions conducted by the organisation Social Finance<sup>11</sup> have indicated that some donors are willing to do this since the bond provides value for money by using taxpayer funds more efficiently and only paying once outcomes are achieved. Investment stakeholder dialogue is a vital process within this component, during which the evidence gathered from Components 1 and 2 will be used to demonstrate—through the bond and management effectiveness guidelines—that the sites represent an investible proposition. The structuring of the rhino impact bond will take place concurrently with the development of the voluntary management effectiveness guidelines (Component 2 described below). The guidelines and best practices will ultimately become a fundamental part of the financing mechanism: the tool through which indicators are established and outcomes are measured, thereby providing the linkage between performance, investment and payback to investors. The guidelines process developed in Component 2 will establish the site-level baseline management effectiveness situation, enabling the additionality of bond investments to be assessed ex-ante and ex-post. Based on Social Finance’s experiences<sup>12</sup> of developing bond structures with a range of partners, such as The Global Fund to Fight AIDS, Tuberculosis and Malaria<sup>13</sup>, a rhino impact bond is expected to take the following steps:

- i. A government/intergovernmental donor commits to paying back investors when specific outcomes are achieved by rhino protection 'service providers' (e.g. NGOs, private sector, range State government conservation agencies).
- ii. Private investors make upfront payments to service providers that meet specific selection criteria (i.e. commitment to meeting the management effectiveness targets) and who then adaptively manage their programmes to achieve the outcomes in a given time period.
- iii. The investors hire a performance manager, with relevant rhinoceros conservation expertise, who supports the adaptive management process by working with service providers to analyse performance measures.

<sup>10</sup> United for Wildlife (2014). *Briefing and Solutions*. 12<sup>th</sup> February 2014.

<sup>11</sup> <http://www.socialfinance.org.uk/>

<sup>12</sup> For details see: <http://www.socialfinance.org.uk/resources/publications/investing-social-outcomes-development-impact-bonds>

<sup>13</sup> <http://theglobalfund.org/en/>

- iv. An independent auditor verifies that long-term outcomes are achieved (vs. a counter-factual scenario, e.g. of continued poaching).
- v. If they are achieved, the donor pays back the investors, plus (potentially) a return on capital, which includes some compensation for risk and uncertainty.

To prove the concept of the rhino impact bond in the short time horizon of the three-year project, pilot sites will choose a set of output performance metrics that will be used to trigger payments by a set of 'Outcomes funders'. Normally, such outcomes funders would payout once outcomes are achieved, but given the tight timeframe, the most practical approach is to focus on short-term output measures, with an assumption that these are directly related to rhinoceros population outcomes, e.g. sustained population growth.

**Component 2: Setting voluntary international guidelines for site-based rhinoceros conservation.** This component addresses the barrier identified that there is *Insufficient Support to Effective Management and Law Enforcement*. The project will develop a set of voluntary guidelines for high-value species in protected areas, applicable to all 5 rhinoceros species. These guidelines will build on the CA|TS and contribute to the IUCN's Green List of Well-Managed Protected Areas. The once-per-decade World Parks Congress, to be held in November 2014, provides the perfect opportunity to gather together key stakeholders from the international conservation community and generate momentum and buy-in around the guidelines. The field-testing of the voluntary guidelines will be carried out across a range of rhinoceros populations/conservation areas at up to 5 sites and based on selection criteria that avoid bias towards successful sites that would skew the test. The guidelines will create a strategic template from which to base the financing of priority rhinoceros protected areas. An important aspect of the monitoring of management effectiveness will be capacity-building for field rangers in the use of conservation technology such as InstantWILD and SMART (as required and requested by the conservation site managers).

**Stakeholder engagement** Having defined the most appropriate countries and sites for piloting the rhino impact bond and management guidelines, the PPG stage will define and engage key stakeholders within government and non-governmental organisations, including the private sector and, where relevant, local community organisations. Stakeholder engagement during and after the PPG stage will be led by consultants/project team members with detailed knowledge of the institutions and regulations of each of the target countries. Gender will be addressed utilising both UNDP procedures and with reference to other standard procedures relevant to private investment, e.g. the International Finance Corporation's Environmental, Social and Governance procedures. Existing policies and procedures of national agencies on gender (and consultation/participation in general) will be taken into consideration. An initial Environmental and Social Screening Procedure (ESSP) has been carried out and will be followed through as part of the project's due diligence process. An appropriate response to gender is integral to the ZSL's approach across its field conservation programmes, occurring in more than 50 countries globally. Some stakeholders, such as communities in and around PAs and women have been marginalized in the conservation arena. The project team intends to ensure that the inputs and contributions of these groups are taken into consideration as a priority, providing support and opportunities for such contributions where needed.

**Monitoring and Evaluation** A core component of this project is focussed on improving protected area management effectiveness. The *GEF BD-1* Tracking Tools on management effectiveness will be used to identify a baseline before project implementation and to track progress of the implementation of guidelines throughout the project. The tool will be run at PA level in each of the two years of the project's site-based demonstration phase. The Green List and CA|TS have used the METT as a foundation for building standards, it is envisioned that the rhinoceros guidelines will follow suit. GEF BD TT and rhinoceros guidelines will dovetail perfectly, enabling a far more extensive quantitative analysis of the changes and impacts the project is having on the ground. Once the guidelines are institutionalised through this project, the continued application of METT (and how it is used in the adaptive management process to fill the gaps identified) becomes an intrinsic part of each conservation area's management regime. This means that tracking tools will not only be able to measure the outputs of the project during the time it is implemented but also for outcomes after this project has been

completed. It is important to note that the TT and ultimately the guidelines address all aspects of conservation area management and therefore enable a very holistic assessment of management effectiveness and performance in terms of outputs and outcomes.

### ***Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF/SCCF and co-financing***

Improving management effectiveness will require additional funding to enhance existing efforts that are largely being funded by the range States themselves. The ultimate long-term goal of this project is to see priority rhinoceros conservation sites accessing new sources of finance to upscale and strengthen site-based management. During the development of the MSP proposal (funded through the PPG), pilot sites will be identified that enable rigorous testing of the difference that Rhino Impact Bond investments can make. To achieve this, sites will be selected on the basis of several criteria: *i) housing important rhino populations; ii) ability to achieve minimum management effectiveness levels within the restrictions of the project's budget and 2-yr timeframe available; iii) sufficient baseline support from governments and other NGOs to make achieving accreditation or approval against the voluntary guidelines possible.* ZSL and other partners within UfW have a wealth of experience working with field sites to improve effectiveness of conservation areas and Standards systems such as CA|TS. Current budget figures and assessments are based on this experience. The indicative budget for each of the rhino impact bond pilot sites is US\$ 1m which shall be used as an increment from the baseline to support the sites to achieve their management effectiveness targets. However, to be a true demonstration of the kind of flexible financing that a bond would provide across sites, there will need to be flexibility in the support provided to sites depending on assessed needs and action plans (rather than fixed amounts per site).

### ***Global environmental benefits (GEFTF, NPIF) and/or adaptation benefits (LDCF/SCCF)***

This project will create an innovative financing mechanism to scale-up site-based rhinoceros protection that can be applied across priority rhinoceros populations, globally. The five surviving species of rhinoceros are emblems for conservation. Rhinoceros shape ecosystems and support many other species by grazing and browsing vegetation, helping seeds to germinate, and creating mud wallows and nutrient hotspots. In Africa especially, rhinoceros also have an important economic value, which has played a key role in providing an incentive for conservation. Conserving rhinoceros, which need extensive habitats and protection against poaching, concurrently conserves a large range of wildlife such as elephants, lions, cheetahs and other rare species. Given their ecological, economic and conservation importance, rhinoceros are true 'flagship' species whose survival in the landscape is intertwined with the persistence of other wildlife as well as the livelihoods of rural people living in some of the poorest parts of the world. In areas such as semi-arid Africa, where the integrity of the ecosystem is vital for human security, the creation of incentives for rhinoceros population growth and range expansion has an important part to play in promoting sustainable rural development.

### ***Innovativeness, sustainability and potential for scaling up***

The bond brings in new sources of finance to conservation, e.g. by opening up the philanthropic investment pool. Currently, philanthropic donors in the UK use around 5% of their capital for grant-making, leaving around 95% for regular investing. If an impact bond can provide a return on investment (i.e. capital repayment+return) there is potential to access a large pool of philanthropic investment capital. In the development sphere it has been demonstrated that some donor agencies are willing to pay the return, if there is evidence of overall cost-effectiveness. Scaling-up rhino impact bonds could require that the bonds provide a reasonable return to investors. However, SIBs and DIBs do not provide fully risk-adjusted returns and therefore will not become part of mainstream investment markets (at least until more information is available on the riskiness of Impact Bonds). This project intends to promote an innovative approach to outcomes funding during the pilot phase (project years 2-3), setting aside payments from donors into a trust fund (to be scoped during the PPG stage) that can then act as first-loss capital in the full-scale bond issuance period at the end of year three. This will provide continuity and the opportunity to scale up the rhino impact bond mechanism and therefore attract additional investment.

The CA|TS scheme was developed to provide an incentive to those responsible for protected areas to improve the effectiveness of management and so contribute to the goal of doubling the number of tigers by 2022. This project emulates that idea but also goes a critical step further, by linking management effectiveness to innovative financing. The bond mechanism brings several novel attributes that are often missing from traditional conservation funding. Outcomes funders will only pay for agreed and achieved outcomes and thereby use taxpayer funds more effectively – the risks of under-performance are shifted to others, i.e. the impact investors. This, in turn, makes the integrity of the voluntary management effectiveness guidelines vital to securing investor confidence. Scale is another key attribute, since private investments can be on the order of tens of millions of dollars, with a relatively long time-period of 5 years or more. The bond requires 'service providers' / implementers to be flexible and innovative so that they can adapt quickly to data on management effectiveness (what is working and what is not). The rhino impact bond is expected to have a transformative effect, not just on rhinoceros populations but also the wider economy. Poaching threatens not only rhinoceros populations themselves, but also rural development opportunities, e.g. wildlife-based tourism. Poaching is also increasingly part of transnational criminal activity, which has been linked to terrorism and international trade in other illegal goods. Hence, addressing poaching and conserving rhinoceros is of significant benefit to national security. As one of the 'Big Five' (rhino, elephant, buffalo, leopard, lion), rhinoceros are a vital source of tourism revenue for African rhinoceros range States. For example, in 2012 tourism contributed 12.5% of Kenya's GDP, with 70% of tourism revenue coming from wildlife. Between 2000 and 2005, sales of live rhinos from the Hluhluwe-iMfolozi Park generated revenues for Ezemvelo KZN Wildlife (the provincial conservation authority in KwaZulu-Natal) equivalent to 60% of the park's conservation budget. The presence of rhinoceros in the game reserve acts like an umbrella ensuring protection and monitoring of the reserve as a whole and promoting its ecological integrity. At the national scale, live sales of surplus White Rhino (that need to be removed from well-established populations to maintain productive population densities) generated US\$ 35.5m in South Africa between 2008 and 2011. Limited sport hunting has also played a positive role in generating revenue and creating employment. While challenges remain in ensuring that local communities see an increasing share of the benefits of rhinoceros conservation, such conservation generates important benefits to society as well as the wider environment.

**A2. Stakeholders. Identify key stakeholders (including civil society organisations, indigenous people, gender groups, and others as relevant) and describe how they will be engaged in project preparation:**

<b>Stakeholders</b>	<b>Engagement in project preparation and implementation</b>
National and sub-national government conservation agencies	Government agencies playing a key role in rhinoceros conservation will need to be involved in the development of the standards, the demonstration site selection process, and the standards testing and demonstration activities. It is likely that the four Standards demonstration sites will include some government-managed protected areas.
Private and community-based rhinoceros conservancies	In several rhinoceros range States; these institutions are important site managers, protecting priority rhinoceros populations. Hence, selected private and community-based rhinoceros conservancies will be involved in the design and testing of the standards.
Local people living in/around the protected areas (PAs)	The third pillar of the CA TS is focused on ‘Community’ issues: Human–wildlife conflict (HWC); Community relations; and Stakeholder relationships. Hence, the Standards framework is designed to check that PAs are effectively involving local stakeholders. Working through the managers of the target PAs, the views and concerns of local people living in or near to rhinoceros PAs will be sought as input into the Standards development process.
Private investors	A rhino impact bond advisory group will be formed at an early stage of project preparation, including representation from the private investment community. In the first instance, this will provide a sounding board for the concept, but as the project moves into implementation, it will also serve the function of introducing the project to potential bond investors. Investors will be asked to provide the project with information on their investment requirements, so that the bond can be structured with these parameters in mind.
Donor agencies	Rhinoceros impact bonds require backing by a donor, either a government agency or a multi-lateral agency. The donor engagement process has already begun and will expand during the project preparation and implementation phases. Potential bond donors will be kept informed of project progress on a regular basis and will also be asked for information on potential funding scenarios that can be used to model the bond and discuss terms with prospective investors.
United for Wildlife (UfW) partners	The 7 major NGO partners of UfW have agreed to create a UfW standard for site-based protection of high-value species threatened by poaching. Hence, expert advice will be sought from across the UfW partnership during the project preparation stage, especially from IUCN (SSC and WCPA) and WWF (CA TS team). The involvement of UfW partners will be also be important during project implementation, in designing the standards and selecting appropriate sites to test them. Another important role for the UfW partners will be to disseminate lessons learned from the project across their networks, speeding the long-term scale-up process.

**A3. Risk. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable):**

<b>Risk</b>	<b>Rating</b>	<b>Management Strategy</b>
Poaching pressure continues to increase exponentially,	Med	The project is being designed to deal with the escalating threat posed by poaching to rhinoceros populations. However, since demand is set to continue increasing for the foreseeable future, there is a risk that field-based conservation efforts are simply overwhelmed and a tipping point in rhinoceros numbers is reached. Given the

Risk	Rating	Management Strategy
overwhelming the response capacity of PA managers involved in the demonstration project		crisis situation, it might be difficult for some site managers to take the time needed to stand back and carry out the self-evaluation required at the start of the process. While there is a risk that this could occur, there is the equal possibility that PA managers will recognise the opportunity that the bond provides. To mitigate this, the guidelines will be completely consistent with current thinking on PA management effectiveness best practice and therefore should be seen as an additional support structure for PA managers to improve their success. A well-designed sensitisation process among relevant stakeholders will also be important to ensure that the project is seen as an opportunity and not an extra burden.
Insufficient donor (outcome funder) interest to support a Development Impact Bond (DIB) applied to rhinoceros	Low	<ul style="list-style-type: none"> <li>• DIBs address many of the concerns on aid effectiveness expressed by donors and recipient countries, and are thus likely to be attractive to many donors. For example, DIBs address some of the key recommendations of the Busan Partnership for Effective Development Co-Operation: <i>Focus on results; Transparency and accountability; Approaches that aim to manage – rather than avoid – risk; [Making publicly available] development activities’ ... contribution to development results.</i></li> <li>• The publication of the DIB Working Group report, alongside Social Finance and the Center for Global Development’s ongoing engagement with stakeholders, has generated a high level of interest from donor agencies, intermediaries and service providers in DIBs.</li> <li>• Social Finance has already seen a high level of interest from outcomes funders, and has been engaged in conversations with a number of bilaterals and multilaterals - many of which are already implementing results based programmes - to build momentum around DIBs.</li> </ul>
Lack of investor interest to invest in a Development Impact Bond (DIB) applied to rhinoceros	Med	<ul style="list-style-type: none"> <li>• Whilst the impact investment market is still young, traditional investors have been increasingly interested in this area and impact investments are expected to play a more significant role in investment portfolios over the next 5 years.</li> <li>• There has been a high level of interest in Impact Bond products from social investors. Around USD100 million of investment has been raised for Impact Bonds so far, often with products being oversubscribed.</li> <li>• Although the scale of capital required for DIBs is larger than that for SIBs, we anticipate that the offer of DIBs to align social/environmental and financial returns in the conservation and sustainable development space will generate significant interest.</li> <li>• We anticipate that the ongoing development of wider market infrastructure, such as the establishment of a pooled DIB investment fund, will help crowd-in investors, reduce barriers to entry and educate on due diligence requirements. It will also enable investors to access a portfolio of diverse DIB opportunities.</li> <li>• Split capital structures are also being considered, reducing the amount of risk capital required and enabling participation of debt providers.</li> </ul>
Measurability of results (both for DIB population and counterfactual group) and associated costs	Low	<ul style="list-style-type: none"> <li>• DIBs will be considered only when there are transparent – and affordable – measurable results. Consequently there will be areas of development and conservation where they will not be appropriate. There is a history of monitoring and measurement in the conservation sector, which lends itself to DIBs.</li> <li>• DIBs will build on existing efforts spurred by the Paris Declaration and Accra Agenda for Action to improve results measurement. As with any well-designed results-based aid, achieving sufficiently narrow confidence</li> </ul>

Risk	Rating	Management Strategy
		intervals to robustly measure impact may be more expensive than traditional ex-post assessments, but donors in the Busan High Level Forum on Aid Effectiveness (HLF4) and elsewhere have reaffirmed that potential additional costs are justified by improved aid effectiveness.
Potentially longer timeframe over which DIBs will be operating (and therefore need to manage financial returns over a longer time horizon)	Low	<ul style="list-style-type: none"> <li>• The delivery and measurement of development/conservation outcomes may require a relatively long timeframe (as compared to SIBs). DIBs will likely need to focus on a mixture of outputs and outcomes (as will be trialled in this project), such that capital can start to be paid back earlier, managing risk levels and reducing overall costs due to lower financing costs.</li> </ul>
Political risk	varies	<ul style="list-style-type: none"> <li>• Early and full Government buy-in would be sought. DIBs would support national priorities, and government support would therefore be affirmed at the beginning of the design phase.</li> <li>• Government support for the implementation modalities will be secured in the design phase, and reaffirmed as needed during implementation. Formal memoranda of understanding will be drawn up as needed.</li> <li>• Investors' capital can be protected against political risk via specific force majeure clauses in the outcomes contract - for example, this could allow for suspension of further draw-downs and enable reimbursement of money already spent. Political risk insurance could be secured as needed.</li> </ul>
The integrity of the guidelines and, hence, the bond is undermined by inaccurate reporting of management effectiveness/outcomes	Med	In theory, protected areas could suppress information on decline in rhinoceros status to ensure that they reach or maintain their conservation 'outcomes': it will be hard for inspectors to verify detailed information on rhinoceros populations in a short inspection. The quality of monitoring, including the use of conservation technology tools such as SMART (Spatial Monitoring and Reporting Tool), Cybertracker and camera traps, is particularly important to minimise this risk. ZSL and other UfW members have extensive experience with tools such as SMART.
The bond and guidelines create a two-tier system of successful and unsuccessful PAs.	Med	There is a risk of creating a two-tier system, with successful rhinoceros PAs attracting the majority of funding and support, while less successful reserves slip into obscurity and continue to lose rhinoceros. To mitigate this risk, the first criterion for the bond will be that PAs should be national/continental priority sites for rhinoceros. The bond can also be structured in a way to encourage investment in the riskier sites, e.g. through payment of a higher return.

#### **A4. Coordination, Outline the coordination with other relevant GEF financed and other initiatives:**

The project will support the CBD, which has requested the development of standards for protected areas in its Programme of Work on Protected Areas (PoWPA<sup>14</sup>). Through its links to the IUCN and UfW, the project will coordinate with and support existing national and global systems for measuring protected area effectiveness, including the IUCN Green List of Well-Managed Protected Areas. The CA|TS are already linked into the Green List and discussions have commenced with the IUCN WCPA to do the same with the UfW Standards for rhinoceros. Through attendance at national and international meetings, the project will seek to coordinate with GEF-financed initiatives to strengthen protected area networks in a range of rhinoceros range States. In addition, there is also a significant opportunity to coordinate with the GEF-financed programme *Strengthening Law Enforcement capabilities to Combat Wildlife Crime for Conservation and Sustainable use of Species in South Africa (target Rhinoceros)*, with which there will be strong synergies for sharing of information, tools and expertise. Contacts and professional relationships already exist with the project. With support from CITES, the GEF has allocated US\$ 2.7m (total project budget US\$ 14.3m) towards strengthening the current wildlife forensic capabilities in South Africa. Links will also be made to other rhino conservation projects new and old that have been supported by GEF. In Namibia, a GEF-supported, IUCN SOS project has been established to support monitoring and patrols in the Kunene rhino range. With a constant field presence and foot patrols and air surveillance the aim is to deter poaching. Data are being collected on individual rhinoceros and poaching threats. In Indonesia, rapid assessments have been undertaken to establish a second population of the Javan rhinoceros. Two projects have been funded by the IUCN SOS fund (supported with GEF funds), the first is strengthening protection and habitat management for the Javan rhinoceros in Ujong Kulon National Park (by supporting round the clock protection for the last remaining Javan rhinoceroses and working with local communities to reduce the ecosystem pressures by ensuring that conservation generates benefits for them. The second SOS project focuses in Way Kambas, and establishes Rhino Protection Units, who remove snare, apprehend poachers and work the Park guards to improve the effectiveness of conservation efforts. There has also been a GEF MSP totalling US\$ 750k on Landscape-scale conservation in and around Chitwan National Park. In terms of innovative finance, lessons will be learned from ongoing efforts to develop standards for green bonds, especially in the forestry sector.

#### **B DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:**

***B1. National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAs, NAPs, NBSAPs, national communications, TNAs, NCSAs, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.***

This project will directly assist rhino range States to meet their obligations under the Strategic Plan on Biological Diversity and specifically relates to the following Strategic goals and targets: Strategic Goal A: Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society, by ensuring that the communities living in and around protected areas are adequately compensated for improvements to the status of rhinoceros populations, due to their involvement (Target 2) and the development and application of positive incentives for their conservation (Target 3). Strategic goal C: to improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity, by increasing the effectiveness of protected areas networks, (Target 11); preventing the extinction of threatened species - rhinoceros (Target 12). Strategic goal E: Enhance implementation through participatory planning, knowledge management and capacity building through the development and mobilization of financial resources for effectively implementing the strategic plan from all sources, namely the private sector in this case (Target 20).

By developing an innovative financing mechanism for rhinoceros to be applied in conservation areas, the project will support Parties to the CBD to achieve CBD Aichi Targets 11 and 12 on effective area-based conservation

<sup>14</sup> <https://www.cbd.int/protected/pow/learnmore/intro>

and endangered species conservation, respectively. By helping to strengthen site-based rhinoceros conservation, the project will be consistent with strategies and action plans of a number of rhinoceros range States. As noted in the Baseline section, a number of rhinoceros range States have national rhinoceros conservation strategies. South Africa is taken as an example here. The South African Black Rhinoceros Biodiversity Management Plan 2011-2020 (approved by the Minister of Water and Environmental Affairs under the National Environmental Management (NEM): Biodiversity Act 2004) includes a number of proposed actions and strategies to minimise losses of rhinoceros through illegal activity including developing adequate ground surveillance, detection and reaction capabilities, motivating staff effectively in anti-poaching procedures, ensuring adequate communications for coordination of patrols and reactions to incursions, to develop and implement an intelligence gathering programme. The project is also consistent with similar strategies outlined in the draft South African White Rhinoceros Biodiversity Management Plan 2014-2019. It is also consistent with the National Strategy for the Safety and Security of Rhinoceros Populations in South Africa produced by South Africa's Department of Environmental Affairs. This recognises that an adequate number of highly motivated, well-trained, resourced and equipped personnel is the single most important factor to ensure the success of proactive and reactive operations aimed at countering rhinoceros poaching.

***B.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities:***

The project will contribute towards the GEF's Biodiversity Focal Objective 1: Improve Sustainability of Protected Areas Systems. By tapping into private investment funds, the rhino impact bond will contribute directly to Outcome 1.2: **Increased revenue for protected area systems to meet total expenditures required for management.** Design of this project will be in consultation with a variety of national (rhinoceros range State) and international stakeholders. Community participation is a major component of the Standards and thus, by its very nature, this project will involve the public in project design and implementation, and will design incentives for local communities to engage with and derive livelihood benefits from conservation. As well as delivering global environmental benefits and contributing to the GEF 5 focal area biodiversity strategy, this project also helps to address the emerging issue of illegal wildlife trafficking which is becoming a global priority with increasing governmental attention towards both (site level) supply and demand sides.

***B.3 The GEF Agency's comparative advantage for implementing this project:***

UNDP provides the comparative advantage due to its increasing focus on wildlife enforcement, its broader biodiversity management portfolio and its deep experience in tackling governance issues. This project will contribute to addressing the broad strategic objective of UNDP's Biodiversity Global Framework, to "Maintain and enhance the goods and services provided by biodiversity and ecosystems to secure livelihoods, food, water and health, enhance resilience, conserve threatened species and their habitats, and increase carbon storage and sequestration." Protected area management, planning and financing are core to UNDP's work. Specifically, UNDP is taking an increasing role in rising to address to the crisis around wildlife enforcement, particularly poaching and illicit wildlife trade. At a recent global conference in London, UK, UNDP's Administrator delivered a strong speech illustrating the importance of enforcement to the organization and emphasizing that illegal trade is a both a development, environmental, and security challenge, pushing vulnerable and endangered species toward extinction, fuelling corruption and conflict, and putting lives and livelihoods at risk. UNDP's expertise in governance, the rule of law, poverty eradication, and environmental protection are an additional comparative advantage to its experience in biodiversity conservation.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

(Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template.

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
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N/A (Global Project <sup>15</sup> )			
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**B. GEF AGENCY(IES) CERTIFICATION**

**This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.**

<b>Agency Coordinator, Agency name</b>	<b>Signature</b>	<b>DATE (MM/dd/yyyy)</b>	<b>Project Contact Person</b>	<b>Telephone</b>	<b>Email Address</b>
Adriana Dinu UNDP-GEF Executive Coordinator and Director a.i		03/26/2014	Paul Harrison, Regional Technical Advisor for Ecosystems and Biodiversity, UNDP	+(251)- 115 170 780	<a href="mailto:paul.harrison@undp.org">paul.harrison@undp.org</a>

<sup>15</sup> Country-level endorsement will be sought during further project preparation. In the case of country-level engagement, operational focal point endorsement letters will be provided.