

GUINEA-BISSAU  
Coastal and Biodiversity Management Project

## GEF Project Document

Africa Regional Office  
AFTS4

<p><b>Date:</b> April 15, 2004  <b>Sector Manager:</b> Mary Barton-Dock  <b>Country Director:</b> John McIntire  <b>Project ID:</b> P083453  <b>Lending Instrument:</b> Specific Investment Loan (SIL)</p>	<p><b>Team Leader:</b> Peter Kristensen  <b>Sector(s):</b> General agriculture, fishing and forestry sector (100%)  <b>Theme(s):</b> Environmental policies and institutions (P), Biodiversity (P), Other environment and natural resources management (S)</p>																																			
<p><b>Global Supplemental ID:</b> P049513  <b>Sector Manager/Director:</b> Mary Barton-Dock  <b>Lending Instrument:</b> Specific Investment Loan (SIL)  <b>Focal Area:</b> B - Biodiversity  <b>Supplement Fully Blended?</b> Yes</p>	<p><b>Team Leader:</b> Peter Kristensen  <b>Sector(s):</b> General agriculture, fishing and forestry sector (100%)  <b>Theme(s):</b> Environmental policies and institutions (P), Biodiversity (P), Other environment and natural resources management (S)</p>																																			
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<p><input type="checkbox"/> Loan    <input checked="" type="checkbox"/> Credit    <input type="checkbox"/> Grant    <input type="checkbox"/> Guarantee    <input checked="" type="checkbox"/> Other: GEF</p> <p><b>For Loans/Credits/Others:</b>  <b>Amount (US\$m):</b> \$7.8 million</p> <p><b>Proposed Terms (IDA):</b> Standard Credit</p>																																				
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<p><b>Borrower/Recipient:</b> GOV. OF GUINEA-BISSAU  Contact person: Mr. Aquino Duarte, Chairman of the Project Steering Committee  Address: Ministry of Economy and Finance, 37 Av. Amilcar Cabral, Bissau, Guinea-Bissau  Tel/Fax: (245) 203-513  E-mail: ugpge@sol.telecom.gw</p> <p><b>Responsible agency:</b>  World Bank  Address: 1818 H Street  Contact Person: Peter Kristensen  Tel: 202-473 4789      Fax: 202-614 1235      Email: pkristensen@worldbank.org</p>																																				

**P083453 Estimated Disbursements ( Bank FY/US\$m):**

<b>FY</b>	2005	2006	2007	2008	2009	2010			
<b>Annual</b>	0.41	0.96	0.83	0.45	0.26	0.09			
<b>Cumulative</b>	0.41	1.37	2.20	2.65	2.91	3.00			

**P049513 (GEF) Estimated Disbursements ( Bank FY/US\$m):**

<b>FY</b>	2005	2006	2007	2008	2009	2010			
<b>Annual</b>	0.60	1.19	1.12	0.89	0.67	0.33			
<b>Cumulative</b>	0.60	1.79	2.91	3.80	4.47	4.80			

**Project implementation period:** 5 years**Expected effectiveness date:** 10/01/2004 **Expected closing date:** 09/30/2009

## A. Project Development Objective

### 1. Project development objective: (see Annex 1)

The development objective of the Coastal and Biodiversity Management Project is to build the capacity of Government agencies and natural resource users in Guinea-Bissau to collaboratively manage coastal environments and biodiversity for both conservation and sustainable development ends.

This objective will be pursued by creating a new institution, the Institute for Biodiversity and Protected Areas (IBAP), for managing the network of protected areas in the country. The creation of IBAP is a natural extension of past park management efforts led by IUCN-The World Conservation Union, in which models for participatory park management have shown to be successful. In addition, the project will implement community development activities in and around of protected areas funded by a micro-finance mechanism (the FIAL). Further, it will strengthen the community-based management of reserved fishing zones and the Government's capacity to support the management of these zones and fishing areas. Finally, the project will create a unit for environmental and social safeguards screening of development projects in the country, which is a function that does not currently exist within any existing government agencies.

### 2. Global objective: (see Annex 1)

The **global objective** of the project is articulated as: *Strengthen the conservation of globally significant ecosystem and species*. This objective is in line with the Global Environment Facility's Operational Program 2.

Guinea Bissau's coastal zone is of regional importance and is characterized by an extensive interpenetration of terrestrial and aquatic environments. It includes vast estuaries, a large archipelago rising from a continental platform of about 70,000 km<sup>2</sup>, and seasonal coastal plains. The coastal biotopes are known to be among the richest on the coast of West Africa in terms of diversity, productivity and food potential. In contrast, the coastal biodiversity of neighboring countries has already been seriously degraded, because of industrial and urban development, which has led to increased levels of pollution and the degradation of marine and coastal ecosystems.

### 3. Key performance indicators: (see Annex 1)

The project development objective will be evaluated using four key indicators:

- At least 3,500 square km of land and water under improved management, as defined in the Project Implementation Plan, by end of project.
- As of January 1, 2007, the number of infringements of the applicable regulatory framework related to the Reserved Fishing Zones by fishing vessels decreases by 10% per year in relation to the baseline established in calendar year 2006.
- As of January 1, 2007, the Government provides sufficient financial resources to cover the operational and maintenance costs of all fisheries surveillance activities (including surveillance stations, vessels and patrols).
- All of public and private development projects eligible for review are submitted for environmental impact assessment review prior to being implemented.

## B. Strategic Context

### 1. Sector-related Country Assistance Strategy (CAS) goal supported by the project: (see Annex 1)

**Document number:** 16568-GUB **Date of latest CAS discussion:** May 12, 1997

The proposed project is fully in line with and in support of the overarching poverty alleviation and social sector development objectives defined in the Bank's Country Assistance Strategy (CAS) prepared in 1997. The country has experienced a period of considerable political instability since the CAS was prepared, including a military coup in 1998 followed by 11 months of civil war, a failed military coup in November 2000 and a successful bloodless military coup in September 2003. The country is governed under a transition government, and newly held elections in March 2004 characterized as open and transparent by the international community are expected to result in a democratic multi-party coalition government. This political instability has further weakened its capacity to act and has created a less favorable environment for private sector investment. Nonetheless, the basic premises upon which the CAS was founded remain in place and the three broad pillars of the CAS are still recognized as key to the future of Guinea Bissau: i) achieving macro economic stability and broad based, sustainable growth; ii) encouraging the development of a vibrant private sector; and iii) putting in place policies and programs to reduce poverty and to improve the indicators of social development.

The aims of the project are principally to support the first and third of these three strategic pillars, to be achieved through improved management of the natural resource base upon which the country's current and future economic well-being depend. Specifically, it aims to strengthen institutional and human resource capacity, introduce environmental safeguard mechanisms, and support direct management of biodiversity and fisheries capital. Similarly, the promotion of community-based natural resource management and other local income generating initiatives (with an emphasis on reaching the poorer and more vulnerable members of the community) is expected to contribute to poverty reduction efforts and hence to improve quality of life at the local level. The project will also indirectly support the second strategic pillar, as the introduction of the environmental safeguard mechanisms (in particular, establishing a policy and regulatory framework for environmental assessment and the related human capacity) will help ensure the development of a private sector that is environmentally and socially responsible.

In addition to the strategic pillars, the project will also tackle several of the cross cutting issues identified within the CAS, including, strengthening institutional and human resource capacity; identifying mechanisms for promotion of financial sustainability, and promoting donor coordination.

The project also forms a key piece of the proposed Interim Support Strategy for Guinea-Bissau (April, 2004), which emphasizes the contribution of natural resources to the economy. In particular, the project will strengthen the management of key habitats that support both agriculture and fisheries production.

Finally, the project design explicitly attempts to minimize exposure to the current political instability while maximizing its contribution to building lasting government capacity.

#### **1a. Global Operational strategy/Program objective addressed by the project:**

Guinea Bissau ratified the Convention on Biological Diversity on October 27, 1995. The proposed project fits well with the GEF Biodiversity Operational Strategy and supports the objectives set out in the Operational Program on Coastal and Marine Ecosystems. The project is in line with guidance from the first, second and third Conference of the Parties to the Convention on Biological Diversity (CDB), which stresses *in situ* conservation of coastal and marine ecosystems. It specifically responds to the Jakarta Mandate endorsed at Conference of Parties (COP2), by supporting conservation and sustainable use of vulnerable marine habitats and species. The conservation and sustainable use of coastal and marine ecosystems have been identified as priorities within the draft National Biodiversity Strategy and Action Plan and the National Environmental Action Plan recently adopted by the Government.

The proposed project recognizes the importance of conserving ecosystem structures and functions in order

to maintain, increase and diversify ecological services of global, national and local benefit. This integrated approach to the management of coastal ecosystems represents a strategy that promotes conservation and sustainable use of natural resources in an equitable way.

The project responds to Conference of Parties of the Convention on Biodiversity guidance in various ways including:

- taking an ecosystem approach to conservation, particularly vis-à-vis fisheries and marine biodiversity conservation;
- involving local communities and resource users, including building on local knowledge, strengthening community management for sustainable use and promoting economic incentives such as alternative livelihood opportunities;
- strengthening local and national institutional capacity to address environmental issues, especially through developing a sustainable institutional and legal framework for promoting biodiversity conservation and management, testing participatory models that devolve biodiversity decision-making and management to stakeholders at the local level, and putting in place safeguards to ensure environmental and social aspects are incorporated into broader economic development decisions;
- strengthening inter-institutional, and multiple stakeholder forums such as the national-level Steering Committee and the local level Park Management Councils and Consultative Councils for fisheries so as to promote the integration of biodiversity parameters into sectoral policies and decisions;
- strengthening regional networks for conservation and sustainable use of marine biodiversity, such as the Sub-Regional Fisheries Commission, the regional coastal zone planning network and the West African Turtle network, through data gathering, improved understanding and increased national capacity for management;
- harmonizing key sectoral legislation with national and international biodiversity commitments.

The project is consistent with the Biodiversity Strategic Priority of Mainstreaming Biodiversity in Production Landscapes. It will invest in systemic and institutional capacities of government, stakeholders in the productive sectors, communities and enforcement institutions as well as in protected area managers in order for these stakeholders to effectively participate in and deliver on improved conservation and sustainable use of biodiversity across the coastal land- and seascape. The project will also support sustainable management of marine resources, in particular fisheries. It aims to mainstream conservation priorities and sustainable use into area-based management of fisheries by local fishing communities to protect the ecological integrity of coastal and marine ecosystems. The project will further improve relevant knowledge and partnership building between agencies to mainstream biodiversity concerns into regulatory and normative frameworks.

The proposed project seeks to use Protected Areas as possible development areas, by implementing approaches that fully integrates biodiversity conservation and sustainable use concerns with poverty alleviation and social-economic development. Models developed and piloted would be replicated elsewhere in Guinea Bissau, both as part of the project itself and as part of complementary donor financed protected area and biodiversity management programs.

Guinea Bissau's coastal complex hosts exceptional biodiversity, due to its remarkable landscape features. It is characterized by an extensive interpenetration of terrestrial and aquatic environments, including vast estuaries, a large archipelago rising from a continental shelf of about 70,000 km<sup>2</sup>, and seasonally flooded coastal plains. The main biotopes found in the coastal zone, include mangroves, sandbanks and mudflats, shallow estuarine waters and sub-humid Guinean forests. These habitats, particularly the marine and

estuarine waters, are known to be among the richest on the West African coast in terms of diversity, productivity and food potential. They are essential for the survival of several species that are globally endangered or threatened, and for species that are economically important.

Guinea Bissau has established a network of protected areas in its coastal zone, all of which are slated for GEF support under this project. These areas are identified as priority sites of global importance in “A Global Representative System of Marine Protected Areas” (Great Barrier Reef Marine Park Authority, World Bank and IUCN, 1995) as well as by the review of “Ecologically Sensitive Sites in Africa” (World Conservation Monitoring Center, 1993). Two of the protected areas, Orango National Park and João Vieira e Poilão National Park, are within the Bolama-Bijagos archipelago, which has been designated as a Biosphere Reserve by UNESCO.

The coastal zone is very rich in organic materials and plankton, supporting highly diverse fauna, and is a regionally important breeding and nursery zone for fish and crustaceans. Mangroves cover almost a third of its area, including the white mangrove (*Laguncularia racemosa*), a rare species in West Africa, and extensive mudflats lie adjacent to and between the islands.

The archipelago is reported to be the second most important wintering ground for Palearctic shorebirds in West Africa (after the Banc d’Arguin in Mauritania) and supports 10,000-15,000 pairs of breeding water birds. Its plankton rich waters support diverse marine fauna including fish, crustacean and mollusk species; regionally important stocks of five turtle species: green (*Chelonia mydas*), loggerhead (*Caretta caretta*), olive Ridley (*Lepidochelys olivacea*), hawksbill (*Eretmochelys imbricata*) and leatherback (*Dermochelys coriacea*); marine mammals such as the bottlenose and the Atlantic humpback dolphin; sharks; and crocodiles. The archipelago also sustains the largest population of manatee (*Trichechus senegalensis*) in West Africa and a population of sea going hippopotami. One of the archipelago’s islands, Ilhau do Poilão, is the largest breeding ground for the green turtle in West and Central Africa.

The remaining three areas targeted under the project are along the mainland coast: i) the Cantanhez forest (a proposed protected area) that supports one of the few remaining stands of primary sub-humid Guinea forest and is home to the endangered chimpanzee; ii) the Lagoa de Cufada Natural Park, designated under the Ramsar convention as a wetland of international importance and noteworthy for its wealth of bird life; iii) the Rio Cacheu Mangrove Natural Park, a complex of estuarine mangroves, swamp and marsh land of great importance to Palearctic waders, other waterfowl, and birds of prey.

Other significant conservation areas in Guinea Bissau include: i) the Rio Grande de Buba Basin where rocks, mudflats and mangroves support resident and Palearctic waders as well as breeding populations of Marabou Stork and Pink-backed Pelican; ii) the Rio Mansoa Basin where the inter-tidal mudflats and the mangroves constitute an important breeding area for African Darter and Great White Egret as well as being important to western European populations of Black-tailed Godwit (*Limosa limosa*) and others; and iii) the Rio Tombali, an extremely biologically rich complex of inter-tidal mudflats and of mangroves supporting breeding populations of African Darter, Wood Stork, Great White Egret, Sacred Ibis, African Spoonbill and Pink-backed Pelican as well as being important for resident and Palearctic waders.

The Map in the back of this documents illustrates the location of the areas described above.

## **2. Main sector issues and Government strategy:**

Guinea Bissau is one of the world’s poorest countries. Its development index is amongst the lowest, with over 50% of the population living below the poverty line, a life expectancy at birth of 43 years, and a high

level of inequality of income distribution. The country's estimated population in 2001 was approximately 1.3 million, with a growth rate of 2.23%.

Guinea Bissau's current and future economy is highly dependent on its natural resources. The sale of cashew nuts and fisheries licenses are currently the country's two best income earners (representing approximately 87% of the country's export earnings), but exploitation of non-renewable resources, particularly bauxite, phosphate and petroleum, is touted by Government as a key potential element for future economic growth.

#### *Root causes of biodiversity loss*

With approximately 80% of the population currently residing in the coastal zone where most economic activity is concentrated, one of the root causes of biodiversity loss is increasing population pressure on coastal and marine resources. A related cause of biodiversity loss is poverty, and the ensuing lack of economic alternatives. Natural resources currently form the foundation of the livelihood strategies for the majority of the population, for whom few alternatives exist. Furthermore, high poverty and low awareness of the necessity of ecosystem health for the provision of environmental goods and services implies little incentive for sustainable management of the coastal biodiversity capital.

Subsistence livelihoods have led to deforestation and soil degradation, which have historically been seen as the basic environmental problems confronting Guinea Bissau. Within the coastal zone more specifically, the major threats to ecosystem function and habitat quality have resulted from subsistence activities such as itinerant agriculture, rice production, artisanal fishing and the extraction of fuelwood from forests and mangroves for the production of charcoal and the smoking of fish. The lack of appropriate management of coastal and marine natural resources as well as the depletion of key species within fragile ecosystems could cause severe biodiversity loss (see Annex 13: Indicative Threats and Root Causes Analysis and Identification of Project Response Measures).

#### *Potential threats to biodiversity*

The coastal zone also houses resources identified as potential motors of future economic growth, namely fisheries and offshore petroleum. Guinea Bissau's capacity to manage these resources sustainably is very weak.

Fisheries are at present mainly exploited by foreign vessels through negotiated fishing licenses or by migrants from Senegal and Guinea. The fishing licenses do not set quotas, but rather rely on the payment of fees proportionate to captures, even though fish stocks are insufficiently known. Guinea Bissau does not have the capacity to monitor the impact of fishing on stocks, to control fishing licenses, or to collect fishing fees. Ultimately, intense industrial fishing of key species such as shrimps could change the ecological balance of coastal ecosystems and threaten their integrity. Artisanal fisheries present another set of issues. Much of the fish caught by artisanal fishermen is landed in Guinea or in Senegal. Furthermore, global markets for high-priced foods, such as shark fins, have led to intense overexploitation and a rapid collapse of source stocks.

The potential for petroleum production in Guinea-Bissau and Southern Senegal has also been recognized. Petroguin, a Guinea-Bissau parastatal oil company, retained in 2000 the services of First Exchange Corporation (FE) of Houston, Texas, to promote and oversee oil development. Early estimates suggest a potential of 500 million-3 billion barrels, split between Guinea-Bissau's shared economic zone with Senegal and its exclusive economic zone. The area currently opened to exploration comprises Guinea Bissau's entire coast, including the Bolama-Bijagos Archipelago. Production will go ahead if commercially viable oil fields are found. Such offshore oil production could have huge environmental and social impacts, unless

necessary safeguards are developed and implemented.

The threats of overfishing and oil exploration are compounded by the inclusion (in the present transition government) of the Department of Environment in the same Ministry that hosts the national petroleum development parastatal (Petroguin), thus creating a conflict of interest that could hinder the sustainable management of coastal biodiversity. In order to address these threats and constraints, the project will build the capacity for independent environmental impact assessments of all major projects, with specific sector assessments for petroleum and fisheries.

#### *Threats to marine resources*

Another significant threat to the coastal and marine biodiversity of Guinea-Bissau is illegal, unreported and unregulated fishing by industrial fishing vessels, particularly in areas or zones reserved for artisanal fishing or in marine protected areas.

Foreign vessels routinely encroach upon the country's marine protected areas and the artisanal fishing zone (delineated as the area within 12 nautical miles of the shoreline), creating conflicts with artisanal fishers and damaging the fragile ecosystems protected by the Marine Protected Areas (MPAs) through activities such as bottom-trawling. Furthermore, both unlicensed and licensed vessels often fish in reserved fishing zones and marine protected areas using trawl with single mesh size, e.g. 60 – 65 mm for shrimp, for all fisheries.

For this reason, in order to manage the reserved fishing zones in Guinea-Bissau, and indeed to help ensure the sustainable use and protection of all of the country's coastal and marine biodiversity, strengthened capabilities in the public sector for the Monitoring, Control and Surveillance (MCS) of industrial fishing vessels is urgently needed.

Three challenges prevent effective management of reserved fishing zones. The first is the encroachment of vessels into shallow waters close to the islands but also well-organized foreign artisanal fishermen landing their catch directly on industrial vessels. The second is the inappropriate or absence of a strategic management scheme for fisheries. The third is the general weak capacity and lack of infrastructure and equipment of institutions that are supposed to manage fisheries.

In order to address these obstacles, the Coastal and Biodiversity Management Project will support the establishment of a monitoring and surveillance system for fisheries. It will also promote a fisheries control system and invest in equipment, infrastructure and operating costs of the institutions in charge of managing fisheries.

However, none of this will be sustainable if the political will for managing fisheries does not exist. For this reason a process leading to a consensus on sustainable fisheries management actions and reforms will be initiated as part of this project. The process will build on the findings of the World Bank-supported Fisheries Sector Strategy Note and include all major stakeholders associated with fisheries in Guinea-Bissau, including government representatives, civil society representatives, the fishing industry, donors, as well as regional fisheries organizations. The process will be co-designed with major donors, who will be assisting with investments to address obstacles preventing responsible fishing industries.

#### *National policy and institutional framework to address issues and constraints*

Despite the severe constraints it faces, the Government recognizes the importance of maintaining the quality of the environment and of the natural resource base. The four prongs of the National Development Program for 2001-2010 are: i) economic growth and poverty alleviation, ii) provision of basic social and



economic infrastructure, iii) demobilization and reinsertion of soldiers (consolidation of peace and national reconciliation) and iv) good governance. It clearly acknowledges the critical role natural resources have to play in overall economic development as well as in poverty alleviation. Priority is given to stimulation of sustainable economic growth based on diversified rural development and the rational exploitation of agricultural, forestry and fishery resources to alleviate poverty.

With respect to natural resources and the environment, the National Development Program outlines four principal objectives: i) improving access to potable water; ii) improving the understanding of the potential represented by the country's non-renewable resources; iii) capacity building vis-à-vis technologies that increase the value of local resources; and iv) ensuring sustainable exploitation of the resource base combined with judicious protection of the environment. The strategy for achieving the last objective includes the elaboration of a national policy and plan for environmental management, the management of parks and other protected areas and the elaboration and implementation of a biodiversity management program in the coastal areas.

The above objectives and strategies are reinforced by several initiatives:

- The assessment of environmental issues "*Towards a strategic agenda for environmental management*" prepared with the support of the World Bank in 1993, which identified the management of protected areas as a priority to counter loss of offshore fisheries and biodiversity.
- *National Environmental Action Plan (NEAP)*. The NEAP prepared by the Department of Environment, with the support of UNDP/UNSO was adopted by Government in February 2004. Its objective is to provide Guinea Bissau with planning and management instruments for its natural resources. Areas of concern include salinization of rice paddies, deforestation, bush fires and wildlife depletion, overfishing, destruction of mangroves and loss of biodiversity along the coast.
- *National Biodiversity Strategy and Action Plan (NBSAP)*. The NBSAP prepared by the Department of Environment, with the support of UNDP/GEF, was adopted by Government in February 2004. The NBSAP was a participatory initiative to help Guinea Bissau assess biological biodiversity, identify threats, and suggest options and measures to ensure the conservation, ecologically sustainable utilization and equitable sharing of biodiversity.
- *Clearing House Mechanism*. The General Directorate for Environment is establishing the Clearing House Mechanism in cooperation with the Convention on Biological Diversity for Guinea-Bissau, with the support of UNDP/GEF. The GEF Council has approved funding in April 2001 to set up biodiversity information systems and for support for hardware, software and training.
- *National Capacity Self-Assessment (NCSA) for Global Environment Management*. The aim of the NCSA is to conduct an assessment and a thorough analysis of the capacity needs and constraints that the country is facing regarding its efforts to solve the problems of global environmental management as set forth in the Rio Conventions and other related international instruments. Currently the NCSA is in preparation and expected to be funded by the GEF in 2004. These preparatory activities include preliminary consultations to conceive a process of self-assessment for the enhancement of capacities, as well as to prepare a funding proposal request for that assessment.

Starting in 1988, the Government has been implementing activities in the coastal zone. IUCN has been a key partner since the beginning, with the financial support of the Government of Switzerland. The European Union, France, Portugal, Canada and the Netherlands have each provided additional support. The activities that they funded have mainly focused on the coastal area, but sometimes their scope was national. Most remarkably, coastal planning activities have stimulated the growth of local NGOs, which have in turn strongly supported these activities. The efforts of the last 15 years have significantly contributed to the sustainable management of biodiversity, by establishing a network of protected areas and

by involving communities in the management of natural resources. The main achievements include:

- Establishment of the Bolama-Bijagos Biosphere Reserve (1996).
- Enactment of a *framework law on protected areas* in 1997, which provides for the devolution of management responsibilities for protected areas to the community level, to create ownership and to initiate “sustainable development poles”.
- Establishment of a *protected area network*, including the João Vieira and Poilão National Park, the Orango National Park, the Cacheu Mangrove Natural Park, and the Cufada Lagoon Natural Park. Studies are being completed for the conversion of the Cantanhez game reserve into a protected area.
- Establishment of a *Protected Area Nucleus (NAP)*, which manages the Orango, João Vieira and Cacheu parks, as well as the Bolama-Bijagos Biosphere Reserve.
- Creation of a *Coastal Planning Unit*, which has catalyzed numerous geographic as well as biodiversity inventory and monitoring studies.
- Support to sustainable development and poverty alleviation, through the funding of *micro-projects* focusing on fisheries, food security and forestry, in partnership with national NGOs.
- Environmental education and awareness raising, targeting national decision-makers, technicians, as well as school children and local communities.

More recently, during the Bubaque+10 meeting in March 2001, the Government publicly announced its intention to establish an official organ to manage protected areas and wildlife, thus filling a critical institutional gap. This is a further confirmation that this proposed project responds to the priorities of the government.

### **3. Sector issues to be addressed by the project and strategic choices:**

The project aims to build the capacity of Government agencies and natural resource users in Guinea-Bissau to collaboratively manage coastal environments and biodiversity for both conservation and sustainable development ends.

More specifically the project will leverage additional other funding based on the following strategic choices:

- *Increasing long-term Sustainability.* The vulnerability of Guinea Bissau’s biodiversity management efforts is compounded by the limited capacity of Government to support biodiversity management. The strategic approach is to create an institutional framework and a funding mechanism that shields the protected area network from the constraints and uncertainties of donors and national government, and that enables the implementation of a strategic planning process for the national coastal biodiversity capital. The objective of the project is to entrust the management of protected areas and biodiversity to a self-governed institution, the Institute for Protected Areas and Biodiversity (IBAP), and to establish an independent Conservation Trust Fund supporting biodiversity conservation activities in Guinea Bissau. Contributions to the Fund would be sought from the conservation community, and from foreign stakeholders in industrial fisheries and offshore petroleum. Such an Institute would allow long-term, hence strategic, planning and coordinated, complementary activities/future project approaches. The Government is supportive of this solution as it addresses the underlying problem of budget and capacity, and it stabilizes current efforts. Similar models have been implemented in neighboring Burkina Faso and Côte d’Ivoire.
- *Consolidating the achievements of past and on-going efforts.* IBAP would result from the consolidation of existing activities, most particularly the Protected Area Nucleus (NAP), the Coastal Planning Unit (GPC) and the Lagoa de Cufada Project. This consolidation would create synergies and linkages between currently autonomous activities, support knowledge exchange and learning,

- enhance cooperation and coherence, and avoid duplication.
- *Strengthening the existing network of protected areas.* Guinea Bissau has succeeded in establishing a network of protected areas, to which it plans to add the proposed Cantanhez protected area. However, there is little effective management of these areas and management plans must still be finalized and implemented. The proposed project will help establish a greater physical presence in protected areas, identify and implement management measures.
  - *Empowering communities.* The project will leverage the features of the existing protected area framework that provide for the devolution of management responsibilities for protected areas to community level, as a way to create ownership and to initiate sustainable resource use. It will support micro-activities contributing to biodiversity conservation through either sustainable use or generation of alternative income possibilities.
  - *Promoting Sustainable Fishing Practices.* Selective fishing and hunting of top predators of the coastal ecosystem as well as losses through by-catch are seriously threatening coastal ecosystem functions. The project will help communities establish managed fishing reserves and develop conservation and management plans for their fisheries resources. The establishment of fishing reserves would build on the successful experiences made earlier (e.g. by the Rio Grande de Buba Project, where local populations were given exclusive rights to barracuda breeding grounds, on condition that they manage the area sustainably). Strengthened monitoring, control and surveillance of fisheries will also be an integral part of enabling sustainable management of fisheries in reserved fishing zones and enforcing sustainable fishing regulations and rules.
  - *Focusing on global threats.* In addition to addressing traditional biodiversity management concerns such as protected area management, testing participatory management models, capacity building and the monitoring of biodiversity, the project must also deal with growing global threats to the integrity of coastal ecosystems and their associated biodiversity, most urgently from industrial fisheries and from the development of offshore petroleum. Limiting these threats is a prerequisite to ensure that coastal and biodiversity management efforts are sustainable in the medium and long term. These threats have underlined the country's extremely limited capacity to integrate environmental and social issues within broader national development decision-making, given weak dialogue amongst stakeholders, poor coordination, the absence of environmental and social safeguard mechanisms, and existing conflicts of interest between conservation and the petroleum exploration. The project's response to global threats is to help Guinea Bissau set up an independent unit to ensure that the environmental impacts of development activities are adequately addressed.

## **C. Project Description Summary**

### **1. Project components** (see Annex 2 for a detailed description and Annex 3 for a detailed cost breakdown):

The project aims to build the capacity of Government agencies and natural resource users in Guinea-Bissau to collaboratively manage coastal environments and biodiversity for both conservation and sustainable development ends. Towards this objective, the project comprises three inter-related components plus one component for project management.

### **Component I - Protected Areas and Endangered Species Management**

Through this component, the project will both strengthen the institutional framework and management capacity for biodiversity and protected areas. It will establish a financially and administratively autonomous institution - The Institute for Biodiversity and Protected Areas (IBAP) – charged with managing the country’s network of protected areas and endangered species. By engaging with local communities inside and outside of the protected areas, IBAP will ensure that these areas are effectively protected. The project will finance technical assistance, workshops and consultations, training, park management equipment, the physical facilities and operating costs for IBAP, in order to strengthen the management of four existing PAs. The project will also support the creation of a new protected area in Catanhez and the development and implementation of species action plans for threatened species of marine turtles, manatees and primates.

### **Component II – Natural Resource Management**

This component promotes sustainable use of biological resources at the local level and includes two main groups of activities: (i) provision of a grant funding mechanism (Fund for Local Environmental Initiatives - FIAL) to promote sustainable use activities inside and outside of the targeted protected areas, and (ii) capacity building to strengthen the management, monitoring, control and surveillance of reserved fishing zones and fisheries.

*Provision of a grant funding mechanism (FIAL) to support sustainable use activities inside and outside of the targeted protected areas.* Through the FIAL a process for identifying and enabling community development initiatives will be established. The FIAL which will provide matching grants to local communities and natural resources users in and around the five protected areas will assist communities in identifying and implementing biodiversity-friendly approaches to natural resource management and local development. FIAL may also provide full grants to individuals whose access to resources is negatively affected by Protected Area regulations.

Once the FIAL processes are operating successfully, the project will facilitate the creation of a private foundation, the Foundation for Biodiversity in Guinea Bissau (FBGB) for which it is anticipated that one funding window will be a formalized FIAL financing mechanism, and the other one a funding mechanism for supporting the cost of operating the protected areas system of IBAP. To enable these activities, the project will finance the establishment and operating costs of FIAL administrative structures, the technical assistance and the local level facilitation processes related to the micro-project cycle, as well as the grants for communities’ microproject initiatives. It will also cover costs associated with technical assistance, legal consultancies, workshops and meetings, and enable the establishment of the FBGB.

*Capacity building to strengthen the management and the monitoring, control and surveillance of Reserved Fishing Zones and fisheries.* These activities are aimed at implementing participatory management and sustainable use of three RFZs that are critical fish breeding and nursery areas for the coastal ecosystem, and the monitoring, control and surveillance of these RFZs and fishing areas. More specifically, these activities will focus on the monitoring, control and surveillance of artisanal and industrial fisheries having an impact on the reserved fishing zones. The project will finance facilitation and consultations, participatory planning, collaborative surveillance and awareness raising for co-management of reserved fishing zones. In order to support the management of the RFZs, the project will also finance the equipment, training, and technical assistance necessary to build the capacity of the Government for the monitoring, control and surveillance of industrial and artisanal fisheries. The majority of project financing for surveillance will be capital investments for equipment, and it will only briefly subsidize the operating costs while a more durable solution is found through the process of a national discussion of fisheries, also to be supported under the project.

### Component III – Environmental and Social Safeguard Framework

This component will establish and implement an environmental and social safeguard framework. The project will support development of policies and procedures and capacity building activities needed to ensure that environmental and social concerns are taken into account in the development decision-making process.

It will build national capacity to evaluate and monitor the environmental and social implications of development proposals, with a particular emphasis on understanding the potential environmental and social impacts associated with the future development of priority sectors such as petroleum exploitation, fisheries and tourism. The component will finance the preparation and dissemination of national environmental and social safeguard legislation, the establishment and operation of the Environmental Impact Assessment (EIA) unit, including staff, equipment and contracted reviewers, and technical assistance, workshops, training and public awareness raising.

In addition, this component will finance the review and harmonization of existing environmental legislation, including adapting national legislation to reflect the commitments made by ratification of biodiversity-related international conventions (Biodiversity, Ramsar, CITES, Bonn).

### Component IV – Project management and M&E

A Project Management Unit will secure the daily management and tracking of implementation, be responsible project financial management and procurement, the monitoring and evaluation of both progress and impact, and facilitating working relationships between the implementing agencies. The last will include convening a Project Management Group comprised of all key implementing agencies in order to ensure coordination of project activities. An inter-disciplinary Steering Committee will further promote coordination and synergies between participating government agencies and key stakeholders.

Component	Indicative Costs (US\$M)	% of Total	Bank financing (US\$M)	% of Bank financing	GEF financing (US\$M)	% of GEF financing
Component A: Protected Areas and Threatened Species Management	3.73	33.6	0.00	0.0	2.82	58.8
Component B: Natural Resource Management	5.06	45.5	1.66	55.3	1.00	20.8
Component C: Environmental and Social Safeguard Framework	0.63	5.7	0.46	15.3	0.17	3.5
Component D*: Project management and M&E	1.69	15.2	0.88	29.3	0.81	16.9
<b>Total Project Costs</b>	11.11	100.0	3.00	100.0	4.80	100.0
<b>Total Financing Required</b>	11.11	100.0	3.00	100.0	4.80	100.0

\* Includes a US\$ 400,000 IDA Project Preparation Advance expected to be spent prior to effectiveness.

## 2. Key policy and institutional reforms supported by the project:

Until now, the implementation of Guinea Bissau's environmental and biodiversity agenda has been largely project based and reliant upon non-governmental partnerships, especially with IUCN and UNDP for implementation. There is an urgent need for the Government to mainstream its environmental responsibilities. One of the central thrusts of the project is thus to support the critical legal and institutional reforms considered necessary if biodiversity conservation and management is to be internalized in a coherent and sustainable manner. To this end, the project will support the following reforms:

- Creation of an administratively and financially autonomous National Institute of Biodiversity and Protected Areas (IBAP), responsible for the management of biodiversity and protected areas in Guinea Bissau. Although administratively and operationally autonomous, this Institute will be placed administratively within the Ministry of Agriculture, Forestry, Hunting and Livestock (Ministry of Agriculture), in order to be well placed to respond to government policies and strategies.
- Establishment of a conservation finance mechanism in support of management of biodiversity and protected areas and sustainable use activities over the long-term. As part of this effort, the project will also identify and catalyze establishment of an alternative financial arrangements (a foundation) to support management of biodiversity and protected areas and to support the scaling up of the FIAL micro-project mechanism.
- Re-launch the national dialogue on the fisheries sector and reform the management of reserved fishing zones and other areas. Towards this, the Government will guarantee a recurrent budget for the monitoring activities of the Fisheries Research Institute (CIPA) and the surveillance activities of FiscaMar.
- Preparation and adoption of critical environmental safeguard policies, regulations and procedures, specifically those ensuring a transparent and effective EIA review of development projects. The EIA unit will be reporting directly to the Prime Minister.
- Review and revision of existing national laws to ensure internal harmony and as well as consistency with the relevant international conventions ratified by the Government.

### **3. Benefits and target population:**

The benefits of this project will accrue at global, regional, national and local levels.

#### *Global and regional benefits*

The project will contribute to:

- increased area of globally significant habitats under effective protection;
- improved conservation of globally significant fauna and flora species and assemblages within and outside formally protected areas;
- strengthened protection for globally and regionally significant species, including marine turtle, African manatees, chimpanzees, sharks, sea-going hippopotami, migratory birds and colobus monkeys, complementing similar regional initiatives (e.g. the GEF-financed Medium Sized Project in The Gambia, the West African Turtle network, etc);
- improved management of regionally important fisheries through the better management of critical breeding grounds and nurseries;
- decreased loss and degradation of critical coastal habitats and ecosystems, with associated benefits for conservation of endangered and threatened species and for the productivity of regionally significant fisheries;
- development of practical models for guiding participatory biodiversity management elsewhere in the region;
- improved body of knowledge of coastal and marine biodiversity both in Guinea Bissau and more broadly within West Africa (for both endangered/threatened species and trans-boundary fish resources); and
- strengthened transboundary biodiversity related networks.

#### *National and local benefits*

The conservation and sustainable use of coastal and marine biodiversity and related ecosystems, and the equitable sharing of benefits from their use are fundamental to socioeconomic development and poverty

alleviation both locally and nationally. The project will help:

- improve the institutional and legal framework for environment and natural resource management in general and coastal and marine biodiversity in particular;
- create a sustainable institutional and financial structure for management of biodiversity and protected areas;
- reduce the loss and degradation of Guinea Bissau's coastal and marine ecosystems and habitats and thus contributing to maintaining the productivity upon which national and local economies depend;
- test practical models for devolving biodiversity and natural resource planning and management responsibilities to the local level, thus providing valuable lessons for Guinea Bissau's incipient decentralization process;
- increase stakeholder capacity (government, NGOs, communities and private sector) for participatory biodiversity and natural resource planning and management, building an in-county capacity that will transcend sectoral boundaries;
- empower local communities, giving them a voice in local development decision-making;
- identify and test potential alternative livelihood strategies that promote both improved biodiversity conservation/sustainable use, and improve the quality of life at the local level;
- increase awareness of the importance of biodiversity and natural resource management for local and national economic development and poverty alleviation;
- put in place a legal framework and institutional capacity to ensure judicious environmental and social protection;
- contribute to better management of locally and nationally important fisheries through the improved management of critical breeding grounds and nurseries.

#### *Target population*

Particular emphasis is being placed on the involvement of and benefit sharing with involved and affected local communities. The target population includes local communities and resource users, government employees and decision-makers at all levels, local NGOs, and the small-scale private sector in the vicinity of protected areas or key habitats of targeted species.

As part of the environmental and social impact analysis, a stakeholder analysis has been carried out. This study prepared an environmental and social management framework that will ensure stakeholders awareness of the project. The study has been publicly disclosed in Guinea-Bissau and is available at the World Bank office, at IUCN, and it has been presented in the national newspapers and in local radio stations to ensure that all stakeholders that could be affected by the project have been reached.

Understanding the social underpinning of incentives for behavior of people in relation to a rational management of natural resources in the coastal zone is imperative. While stakeholder analyses and social safeguards have been completed for the project, additional work is required as part of the continued capacity building of communities and institutions which this project will operate with. Such work has been built in many activities to ensure that the project remains focused on targeting the right people throughout all interventions.

#### **4. Institutional and implementation arrangements:**

##### **Project Institutional Coordination and Implementation Arrangements:**

Overall responsibility for the project lies with the Ministry of Finance. Nevertheless, execution will be undertaken in partnership with the Ministry of Agriculture, the Ministry of Fisheries and the Office of the



Prime Minister. A ministerial decree will set out the working relationships, roles and responsibilities of the project's executing agencies.

**Overall Project Coordination and Oversight.** A Project Management Unit (PMU), hosted by the Ministry of Finance, will oversee and ensure overall coordination and management of project implementation, including project monitoring and evaluation. The unit will be headed by the National Project Coordinator supported by an international Chief Technical Advisor, an Administrator and Secretary. The project's financial management and procurement activities will be outsourced to the Private Sector Rehabilitation and Development Project (PSRDP), also hosted by the Ministry of Finance and financed by the World Bank. The PMU's administrator will ensure smooth coordination on questions related to finances and procurement.

The National Coordinator would ensure the on-going coordination of project activities through a **Project Management Group** (PMG) comprised of the designated representatives (focal points) from each of the executing partners, representing a specific component. The PMG will meet on a monthly basis. It will review implementation progress and budgets for each component on a quarterly basis, and resolve any problems and bottlenecks that are identified. It will also be responsible for consolidating component specific annual work plan and budget proposals into a coordinated annual work plan and budget for the as a whole. Coordination within and between the various technical teams working on the project components will also be strengthened through regular assistance provided by a team of internationally and regionally contracted advisors (including the Chief Technical Advisor, conservation, social/participation, fishing and EIA experts).

A **Steering Committee** composed of higher level representatives from each of the implementing agencies and other key stakeholders, such as NGOs, representatives of GEF implementing agencies (in particular the UNDP), and project affected communities, would ensure policy level oversight of the project and promote incorporation of the project's objectives into sector-specific and national development programming. The Steering Committee would review progress and approve annual work plans and budgets, and address any problems or conflicts. It would meet bi-annually and on *ad hoc* basis as needed.

Finally, a **Donor Committee** will be established to coordinate support among donors to the project and help present results and lessons learned to donors from co-financed activities, encourage broader adoption of successful approaches, and prepare for any follow-on activities. The project will carry out joint planning of activities with other players in the project area, in particular FIBA, PRCM, IUCN, and UNDP.

**Component specific implementation arrangements.** Responsibility for biodiversity conservation activities under **Component 1** will lie with IBAP, under the oversight of the Ministry of Agriculture. This same ministry currently oversees both the Protected Areas Unit (NAP) and Coastal Planning Unit (GPC) with support from IUCN, thus the only major institutional change required is the transfer of the Lagoa de Cufada initiative from the State Secretariat of (non-renewable) Natural Resources and Energy, to the Ministry of Agriculture. Implementation of the component activities will be led by the President of IBAP (focal point), who will be supported by a Chief Operating Officer, an accountant and an international technical advisor in Bissau, and by the Park Conservators and guards at the local level. Implementation of project activities will be done in close collaboration with representatives from other implicated departments and institutions, including, *inter alia* the participatory Park Management Councils, community leaders/associations, NGOs, and local level agriculture, forestry and fishery extension officers. IBAP will also work closely with the Coastal Planning Unit (GPC) to which IBAP's biodiversity data management will be outsourced. During year one the project, in partnership with IUCN, will support the gradual transfer

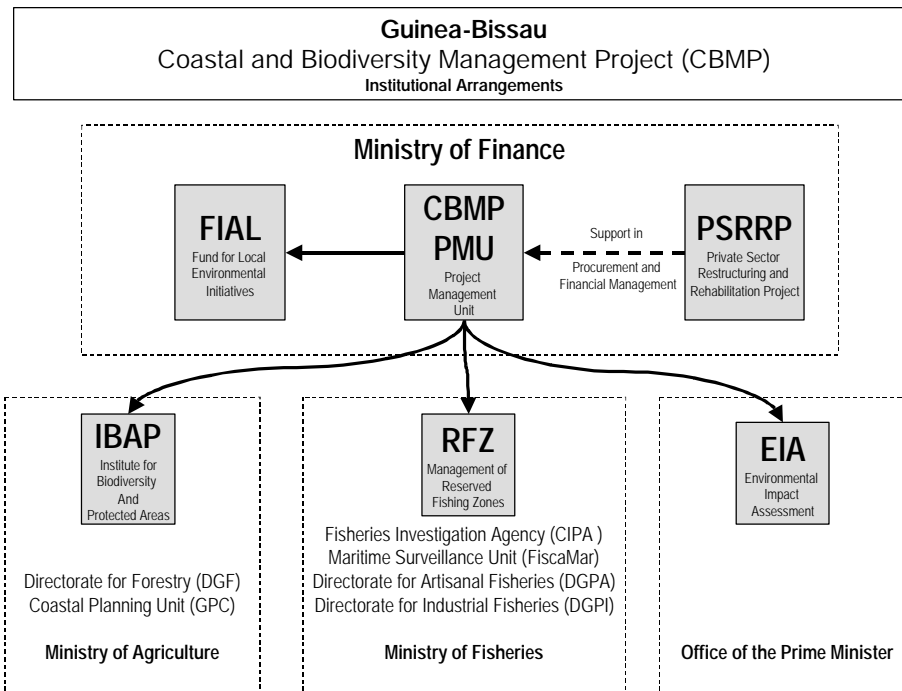


of NAP and Lagoa de Cufada management responsibilities to IBAP as it becomes fully operational. A Memorandum of Understanding between the Government and IUCN together with an internal ministerial decree will spell out the commitments of the various partners to this transfer.

Natural resource management activities under **Component 2** will be led by two different ministries: the Ministry of Finance for those related to the FIAL's community sustainable use and development initiatives, and the Ministry of Fisheries for the management of Reserved Fishing Zones. Responsibility for FIAL will lie with a specialized team attached to the PMU comprised of the FIAL Executive secretary (focal point), a gradually increasing number of technical officers, and a secretary based in Bissau and a team of community facilitators to be based at the local level. The team will be guided by a part time international technical advisor. The community mobilization and facilitation activities will be implemented collaboratively with other key local players including *inter alia* agriculture, forestry and fishery extension officers, and local NGOs. These activities will be further supported by a contracted NGO with expertise in participatory appraisal methodologies. FIAL funds will be allocated to eligible activities proposed directly by communities, or through NGOs that will serve as facilitators. Financial management and procurement for the microprojects will be managed by the FIAL team with support from the CBMP financial and procurement officers.

Project activities in the reserved fishing zones will be led by a Fisheries Coordinator (focal point) located within the administratively and financially autonomous Fisheries Research Institute (CIPA) of the Ministry of Fisheries. The Coordinator will be supported by a full time administrator and an international technical advisor (for the first 18 months) as well as two reserved fishing zone facilitators. Additional technical assistance will be provided on a short term basis. In addition, while CIPA will coordinate the fisheries activities, some of the activities will be implemented by other departments of the Ministry of Fisheries, such as surveillance activities by FiscaMar and community mobilization by the artisanal fishing directorate. An internal ministerial decree will clearly establish the roles and responsibilities of each player in implementation.

The activities of the EIA unit under **Component 3** will be managed out of the Prime Minister's office by a small team comprised of the EIA Coordinator (focal point), technical officer and book keeper, with periodic short term support from an international advisor. Specialist reviewers for EIAs and for compliance activities will be hired on a short term contractual basis as needed. The reason why this unit will not be located under the State Secretariat for Natural Resources and Energy's environmental directorate is because it would provoke a conflict of interest. The SSNRE cannot both be exploiting resources and policing the environmental and social impact of the exploitation. Again, a prime ministerial decree will detail the working relationship between the EIA unit and its host, the Prime Minister's Office.



**Monitoring and evaluation (M&E) (see Annex 12).** The project management unit will have overall responsibility for project monitoring and evaluation. The PMU will contract independent consultants who, working in collaboration with the implementing agencies responsible for each component, will develop a detailed monitoring and evaluation plan for measuring project implementation progress and impact. This plan will clearly specify the key indicators/data needs and sources, who will collect the data for each component as well as for the project as a whole. Participatory monitoring will be used whenever possible, to create a sense of ownership and to promote community understanding of project objectives. Impact indicators will be updated and adapted in accordance with guidelines for GEF-financed projects and will include biological/ecological and socioeconomic parameters.

The PMU will be directly responsible for monitoring and reporting on implementation progress, and will produce consolidated semi-annual implementation progress reports, based upon inputs from each of the lead implementing agency focal points. These reports will serve as the basis of semi-annual review meetings. (These will be expected to correspond with Bank supervision missions).

With respect to evaluating project impact, it is recognized that biological/ecological impacts generally are measurable over a longer time frame than currently proposed for project implementation. It is therefore intended that the independent consultants contracted by the PMU will review IBAP and CIPA's monitoring and data collection plans to ensure they both meet project evaluation needs and lay a strong foundation for monitoring biodiversity trends over the long term. In addition, the consultants will be responsible for conducting beginning, mid and end term beneficiary assessments, and for evaluating and consolidating project impact monitoring data into beginning, mid- and end-term evaluation reports. These reports would serve as the basis for mid-term and completion reviews.

**Financial Management and Procurement (see Annex 6).** The Project Management Unit (PMU) will take advantage of the existing capacity in the Private Sector Rehabilitation and Development Project's Project Implementation Unit (PSRDP-PIU) by outsourcing there its financial management and procurement. The financial and procurement responsibilities of the PSRDP-PIU will therefore include collection and control

of invoices, management of the project's bank accounts, making payments, keeping the books of accounts, managing procurement processes, and preparation of the financial and procurement reports. The PSRDP has experience and trained staff in place, which avoids having to duplicate efforts and encounter the resulting significant delay in project start-up. Two additional staff, a financial management and procurement officer will be recruited by the CBMP and seconded to the PSDRP PIU to absorb the increased workload.

Funds will be disbursed from two Special Accounts (one for IDA Credit and one for the GEF Grant) to the PMU, as the responsible agency for the project, and will be administered by the Chief Financial Officer (CFO) of the PSRDP team at the central level. Most procurement and contracting will be conducted by the PMU, supported by the PSDRP financial and procurement staff. Nevertheless, for smaller expenses, each of the implementing units (IBAP, PMU/FIAL, Fisheries, and EIA) will have 90-day advance accounts, the deposits into which will be based upon agreed quarterly work plans and budgets and timely and accurate accounting for expenditures.

The CFO of the PSRDP team will be entrusted with the project's overall financial management and procurement reporting and will serve as the principal contact for Bank disbursement. Implementing entities (at the national and regional levels) will be in charge of reporting with respect to their activities. To this end, each implementing agency will include an accountant/administrator in their team. Fund management will follow the same procedures as those adopted for the PSRDP project to avoid having to retrain staff and minimize the potential for errors.

## **D. Project Rationale**

### **1. Project alternatives considered and reasons for rejection:**

**Degree of Private Sector involvement:** One of the central ideas of the project as initially conceived in 1997 was to find new, innovative ways of giving economic value to biodiversity, thus creating lasting incentives for local communities to conserve the habitats and ecosystems upon which this biodiversity depended. This idea, inspired by growing experience in Nepal, the Caribbean, and Cuba amongst others, included prospecting for biological products (such as medicinal properties in mangrove tree bark) and their commercialization in international markets through private sector-community contracts. This type of experimental approach that focused upon overcoming the barriers to private sector investment, although not completely excluded should an appropriate high value product be identified, is considered to involve an inappropriately high level of risk given the changed national circumstances. Following a military coup in 1998, Guinea Bissau's political situation has diminished, particularly in comparison with sub-regional neighbors. Furthermore, Guinea Bissau's small size combined with growing knowledge of its biological resource base increasingly suggest that it is unlikely that a commercially valuable species of interest to private sector investors would be identified locally that would not also be found in a neighboring country. For this reason, the project preparation team opted for a more conservative, lower risk strategy, promoting the introduction and adoption of less destructive and more efficient alternatives to current resource use exploitation techniques as well as the small-scale experimentation with new products such as bubacalhou (locally processed barracuda). The chosen approach will emphasize participatory local initiatives that empower local communities in their fight against poverty.

**Institutional Arrangements for Protected Area Management:** Several options were considered with respect to the institutional arrangements for the management of protected areas. The first, and possibly the most conservative, would be to allow IUCN and the NAP to continue to manage Guinea Bissau's protected

areas in the short to medium term, with the expectation that gradually the state would develop the human and financial capacity to take on board these responsibilities in the future. This option, although justifiable given the extremely weak capacity of the State to assume these responsibilities as well as the current institutional instability, runs the risk of greatly prolonging the existing problem. In addition, the current situation also undermines national ownership and leaves the project extremely vulnerable to externally driven agendas. This is clearly illustrated by the current situation, where, as donor supported coastal and biodiversity programs draw to a close, NGO partners are forced to respond to funding priorities other than environment, consequently putting Guinea Bissau's coastal and biodiversity management efforts at serious risk.

A second alternative would be to create a Coordination Council for Protected Areas (as foreseen in the Protected Areas Framework Law) or a Department of Protected Areas. Such a Council or Department would be integrated into a specific ministry and would be directly subject to its hierarchy, operational rules, regulations, and budget. This option was also considered to be too vulnerable to current institutional instability as well as raising serious questions with respect to financial sustainability (see discussion below).

A third option identified was the creation of an administratively and financially autonomous institution such as IBAP, which although linked to a parent ministry, would have a statute that guaranteed it sufficient independence to fulfill its responsibilities in a coherent and consistent manner. This last option was considered to be the most viable. The justification for creation of the Institute for Biodiversity and Protected areas (IBAP) was been re-examined during pre-appraisal and still found to be the best option for management the protected areas of Guinea Bissau. This conclusion followed a UNDP-funded legal study that examined the underpinnings of the creation of IBAP. It is recognized that the roles and responsibilities of this institution must be clearly articulated with regards to authority to manage protected areas. The model chosen for IBAP is based on the successful National Institute for Studies and Planning (INEP), which has undergone very little changes during a very difficult political environment from 1998 to 2004. The same aspects of continuity is expected from the proposed IBAP.

**Financial sustainability:** As indicated above, the issue of financial sustainability for the proposed Institute (IBAP) was considered to be critical to ensuring sustainable management of biodiversity and protected areas. One option would be that it be supported through national budget allocations supplemented by retaining a part of the income generated through environmental taxes and fines. This hypothesis was not considered viable first and foremost since the budget and sources of income to the State are extremely limited and insufficient to meet all needs. These limited funds are therefore generally directed to immediate priorities, and government budget allocations for other sectors even if a commitment is made frequently go unrealized. At this point in time, it is believed that the best option for ensuring the sustainability of IBAP's operations is to create an independent funding mechanism in the form of Conservation Trust Fund to finance IBAP activities for biodiversity conservation and management and support financing of administrative expenses.

**Scope of intervention:** The IUCN run program in Guinea Bissau has attempted to intervene throughout the coastal zone and across thematic areas, including environmental education and awareness raising, physical planning, and institutional support. While this program has had considerable success, the limited human and financial resources available suggest that a less dispersed and more focused approach might be better. Following an assessment of project objectives, available human and financial resources, and given the weak institutional framework, it was proposed that this project focus its activities on priority biodiversity areas and species, in particular protected areas and their buffer zones and Fishing Reserves; and on concrete resource management activities such as local sustainable use initiatives, participatory

resource management approaches and biodiversity monitoring. This said, it is vital to recognize that biodiversity management does not occur in a vacuum. The success of these management approaches will depend to a large extent upon the broader social and economic development path the country chooses to follow. For example, the potential development of offshore petroleum, and the management of industrial fisheries both have serious implications for the effectiveness and sustainability of coastal and marine biodiversity conservation efforts. Consequently, the project's scope of intervention has been expanded to tackle the establishment of environmental and social safeguards that will favor the integration of environmental (including biodiversity) and social concerns within the national development decision-making process.

## 2. Major related projects financed by the Bank and/or other development agencies (completed, ongoing and planned).

Sector Issue	Project	Latest Supervision (PSR) Ratings (Bank-financed projects only)	
		Implementation Progress (IP)	Development Objective (DO)
<b>Bank-financed</b>			
Macroeconomics (AFTM5)	Economic Rehabilitation & Recovery	S	S
Human Development (AFTH2)	Basic Education	S	S
	National Health Develop. Program	U	U
Water and Urban (AFTU2)	Transport & Urban Infrastructure	U	U
Financial Sector & Private Sector Develop (AFTPF)	Private Sector Rehabilitation and Restructuring	S	S
Macroeconomic (AFTM5)	F-PRSP (under preparation)		
Environment and Social Development (AFTS4)	HIV/AIDS Global Mitigation Support Project (under preparation)		
<b>Other development agencies</b>			
EU (2002-2004)	AGIR-Support for transfrontier management of natural resources		
FIBA (2002-2004)	Implementation of JVP		
GEF/UNDP (1997-2003)	NBSAP		
GEF/UNDP (2003-2005)	Evaluation of capacity needs for NBSAP implementation (second phase)		
GEF/UNDP (1997-2004)	NEAP		
GEF/UNDP (2001-2003, 2004-2006)	Climate Change (first and second phase)		

DDC/IUCN (1997-2002)	Coastal Zone Management Program		
EU (1997-2002)	Training center for Protected Areas and Implementation of Lagoa de Cufada Natural Park		
Swiss Aid (2003-2004)	Community development in Cacheu Natural Park; Support to artisanal fishermen and women's associations in Orango National Park; Sustainable use of natural resources in Bijagos (observatory)		
Swiss Aid (2005-2007)	Sustainable development and biodiversity activities (proposed)		
EU (2002-2006)	Support to Ministry of Fisheries		
FIBA & Flora and Fauna preservation Society, People's Trust for Endangered Species (2001-2003)	Study and Conservation of marine turtles in the Bijagos Archipelago		
SIDA/ASDI (2001-2002)	Projecto de Programa Educacao Ambiental		
EU (2002-2004)	Projecto Centro Legislativo Ambiental		
EU (2002-2004)	CONSDEV (Coerencia dal Politicas de Conservacao e Desenvolvimento da Areas Protegidas Marinhas de Africa Ocidental)		
FIBA (2005-2007)	Natural resource management in JVP, Orango and Biophere Reserve (proposed)		
GEF/UNEP (2003-2004)	Monteal Protocol implementation		
UNEP (2004-2006)	Chemical products and international converntions		
SIDA/ASDI (2002-2003)	Conservation and sustainable development in protected areas		
SIDA/ASDI (2005-2007)	Integrated coastal zone management (proposed)		
PRCM (2005-2007)	Participatory natural resource management in Bijagos (proposed)		
PRCM (2005-2009)	Participatory management of molluscs by women in Bijagos and Delta du Saloum (proposed)		
PRCM (2005-2009)	Development of tourism strategy for marine protected		

	areas in Guinea Bissau (proposed)		
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IP/DO Ratings: HS (Highly Satisfactory), S (Satisfactory), U (Unsatisfactory), HU (Highly Unsatisfactory)

### 3. Lessons learned and reflected in the project design:

The proposed project is designed based on the lessons learned during the past 13 years. The key lesson is that existing achievements are the result of sustained efforts over an extended period that have slowly developed in-country capacity and have stimulated support from communities. Rather than focus exclusively on protecting biodiversity in protected areas, IUCN and other development partners prioritized a slow but fruitful dialogue with the communities neighboring the protected areas. Through tangible activities in the field, such as the Environment House in Bubaque, they succeeded in creating a widely accepted network of protected areas in a part of the country known to be highly refractory to central authority. They have also nurtured a slew of national NGOs that have now become major stakeholders in biodiversity management efforts.

Another lesson learned is the need to address institutional issues, to ensure long-term sustainability and a more strategic approach. Existing initiatives have lacked coordination, leaving gaps and sometimes creating duplications. Because Government was often only peripherally involved, biodiversity management does not feature as much as it should in national development planning, including on-going poverty reduction efforts. In the absence of a focal point such as IBAP to promote and defend biodiversity management and protected areas, commercial interests such as industrial fisheries and offshore petroleum could come to dictate the future of Guinea-Bissau's coastal zone and eventually cancel current gains.

More generally, the project is also based on the broad-based experience gained by the Bank and others working in Guinea Bissau; on the coastal and biodiversity specific experience gained in implementation of the Bank, GEF and IUCN portfolios; and on sustainable conservation financing (specifically trust fund) experience gained through the international work of Conservation Finance, the GEF and others. Amongst the lessons learned, several aspects have been identified as being particularly relevant to Guinea-Bissau:

- **Government commitment and ownership** is extremely important if coastal and biodiversity policy decisions are to be taken and sustained over time. These concerns are otherwise likely to bear little or no weight in national or regional decision-making, leaving coastal and biodiversity management efforts extremely vulnerable to interruption or reversal. Ensuring government commitment and ownership is therefore a focus of the project, which aims to shift Government from its current, relatively passive role, into an active leadership position. Recent legislative and institutional achievements such as the framework law for protected areas and the declaration of intent to create a Protected Areas Authority confirm that a strong commitment is already in place. The creation of institutional and regulatory structures and the establishment of a sustainable financing mechanism will constitute tools that will help the Government keep Guinea Bissau on an environmentally and socially sound development path. In addition, the project will support targeted awareness raising and capacity building activities.
- The available **human and institutional capacity** is another critical determinant of how far and how fast national biodiversity and environmental programs can progress. Recognizing Guinea-Bissau's extremely weak institutional capacity, and the limited pool of human resources available, the project design will be based on a careful evaluation of capacity constraints. Care needs to be taken not to be excessively optimistic. Priorities will be established, activities focused, institutional

arrangements designed and targets realistically set so as to avoid overwhelming existing capacity. In addition, the project design will take a proactive approach to meeting the capacity building needs through provision of on-the-job as well as targeted capacity building activities. It is nonetheless recognized that capacity building is a long-term process and that in the short to medium term national capacity will need to be supplemented by external assistance. Bearing in mind the trade off between long-term and short-term technical assistance, particularly with regard to sustainability, the project design will attempt to keep long-term technical assistance commitments to critical areas only.

· Ensuring *financial sustainability*, especially stable recurrent cost financing for protected areas and endangered/threatened species management and monitoring initiatives, is another important parameter if conservation efforts are to have a lasting impact. In light of Guinea-Bissau's extreme budgetary constraints and the potential sources of economic growth, further reinforced by a review of GEF and others' sustainable financing experience, it is believed that establishment of a conservation trust fund presents the best option for securing this financial sustainability. Thus, particular emphasis during implementation will be on catalyzing private sector and donor participation in the establishment of a biodiversity and protected areas conservation trust fund that is able to sustain conservation efforts over the long term. Design of this fund will take the lessons learned from GEF and non-GEF funds into account in developing the internal and external structures necessary to establish a viable institution.

#### **4. Indications of borrower and recipient commitment and ownership:**

Government commitment to the objectives and key strategic features of the project has been spelled out in a Policy Letter, approved on March 18, 2004.

National commitment to addressing coastal zone issues, including those of biodiversity, is strong and of long standing. As mentioned earlier, a national program for conservation and sustainable use of coastal zone resources was launched in 1988, in formal partnership with IUCN and with the support of the donor community. Coastal planning activities have been complemented by a broader rolling program of environmental and natural resource initiatives, which together encompass the establishment of institutions, policy development, legislative reform, scientific studies, physical planning, the creation of protected areas, local-level resource management, capacity building and environmental education.

More formally, Guinea Bissau has signed and ratified several regional and international conventions, further highlighting their commitment to biodiversity and environmental management concerns. These include: the Convention on Biodiversity (27 October 1995), the Ramsar Convention (14 May 1990), CITES (16 May 1990), and the Bonn Convention on (1 September 1995).

The Government approached the World Bank in 1997 and requested assistance in accessing GEF resources to contribute to conservation and management of important coastal and marine biodiversity, in complement to on-going activities. The initial project concept was developed based on a highly participatory national level workshop and extensive community level consultations and was designed to complement on going activities. A PDF B request was submitted to GEF and approved in 1998. However, preparation launch was delayed until early 2000 due to a military coup and subsequent political unrest. Nonetheless, national stakeholders attempted to keep local level activities under implementation during the transition period following the coup, despite the virtual absence of any donor support. Project preparation was launched in March 2000 and was timed to coincide with a workshop to review the progress made during the previous 12 years of coastal planning.



There is high ownership of the proposed project by concerned stakeholders. The Government put in place a Steering Committee to oversee the preparation of the project, and a Consultative Council to ensure broad-based stakeholder discussion and feedback. The Steering Committee includes representatives from interested ministries and from the NGO community. Both the Steering Committee and the Consultative Council have met regularly since December 2000, and despite patches of further civil unrest and delays in securing technical assistance, project preparation has advanced steadily. A national workshop was held in November 2001 to finalize the project's design on the basis of studies conducted by national consultants and funded through the PDF B grant.

The Government, aided by IUCN, has actively sought interim financing to maintain the momentum of its on-going activities, while in parallel holding a series of participatory workshops to reevaluate and adapt the original project concept and commissioning studies on key themes. There have been regular consultations between the Steering Committee and the teams responsible for the recently finalized National Environmental Action Plan and National Biodiversity Strategy and Action Plan, both of which were adopted in February 2004. Guinea-Bissau's commitment to conservation and sustainable use of coastal resources was reaffirmed during the Bubaque+10 meeting in March 2001, to review progress made over the past 10 years. The meeting included a Gift to the Earth ceremony for the João Vieira e Poilão National Park that reaffirmed the country's commitment to the conservation of biodiversity of global importance.

#### **5. Value added of Bank and Global support in this project:**

The project fits solidly within the GEF Operational Program on Coastal and Marine Ecosystems, a priority area for the first, second and third Conference of the Parties to the Convention on Biological Diversity. The Bank, as a GEF implementing agency, can therefore bring incremental grant resources to assist Guinea-Bissau in tackling coastal and marine biodiversity issues of global environmental concern. This will include ecosystem protection as well as increasing capacity for sustaining this protection over time. Without these incremental resources many of the proposed project activities would likely go unfunded in the face of the numerous competing demands on the country's extremely limited budgetary resources and the current financially constrained donor environment.

The Bank can also add value through providing technical assistance for designing and implementing coastal and biodiversity projects that draw on its worldwide experience. The Bank has considerable experience to offer in institution and capacity building, be it for coastal management or environmental and social protection mechanisms, and its environmental safeguards are recognized as setting international standards. In addition, the Bank has recognized the value of trusts as an instrument for providing long-term support to biodiversity conservation and has been a leader in supporting their establishment in Africa and elsewhere. Through this, the Bank has gained experience that will enable it to provide valuable technical support for preparing and implementing a trust, as well as supervision capacity. The Bank's increasing experience in facilitating programmatic multi-donor approaches leaves it well placed to leverage additional funds from other donors and the private sector.

### **E. Summary Project Analysis** (Detailed assessments are in the project file, see Annex 8)

#### **1. Economic (see Annex 4):**

- Cost benefit      NPV=US\$ million; ERR = % (see Annex 4)
- Cost effectiveness
- Incremental Cost
- Other (specify)

The project has a primarily institutional focus. It will establish a new institutional framework and strengthen capacity of stakeholders for the management of biodiversity and protected areas. As such it does not lend itself to traditional cost-benefit analysis and calculation of rates of return. An Incremental Cost Analysis has been prepared and is presented in Annex 4.

## **2. Financial (see Annex 4 and Annex 5):**

NPV=US\$ million; FRR = % (see Annex 4)

**National budgetary implications:** Recognizing the current extreme limitations on national budget and the numerous competing demands, as well as the fact that this situation is likely to continue for the foreseeable future, project design has focused on keeping the budgetary impact on Government to a minimum both for the duration of project implementation and beyond. With the exception of the running costs associated with fisheries surveillance activities, which are expected to be able to pay for themselves soon after their start-up, and a limited cost of core IBAP parastatal staff, Government contributions during the 5-year implementation phase will take the form of in-kind contributions such as provision of office space and participation of staff in implementing activities. Over the longer term, the project will catalyze the establishment of a mechanism, in the form of a conservation trust fund, to ensure an independent and sustainable source of financing for its biodiversity conservation and protected area management activities and recurrent costs.

**Community micro-projects:** The exact nature of activities to be funded under FIAL will be determined through participatory processes during implementation, and may take many forms (conservation activities, improved artisanal fishing, sustainable extraction of non-timber forest products, community environmental centers). Evaluation of income-generating micro-project proposals will include a case-by-case financial analysis that demonstrates the financial viability and sustainability of the activity, and estimates the changes in family/household incomes that may be expected.

**Other financial issues:** To ensure sound financial management aspects of the project, it has been agreed that the project implementation unit of the on-going Private Sector Rehabilitation and Development Project will undertake the financial management of the CBM Project. A successful assessment was conducted to determine whether the implementing unit for the fiduciary aspects of the Private Sector Rehabilitation and Development Project (PSRDP) had acceptable financial management arrangements as required by the Bank's policies, including entities' system of accounting, reporting, auditing and internal controls. To assist implementation of the additional workload associated with the CBMP, an additional financial officer and an additional procurement officer will be recruited. Further, the computerized accounting system will be updated and a project-specific administrative, financial and accounting manual prepared prior to effectiveness.

### **Fiscal Impact:**

N.A.

## **3. Technical:**

The innovative approaches being proposed by the project are ambitious, but seem to be appropriate under the country's circumstances, particularly in the context of extremely weak government capacity, the limited pool of experienced and skilled people and the lack of sound information.

Wherever possible, the project has sought to build upon previous successes (e.g., IBAP builds on and expands the functions of the existing NAP and GPC, the endowment fund design will incorporate experience gained from similar funds in other sectors, biodiversity and protected area management

activities further strengthen the on-going decentralized participatory planning and management processes, FIAL and its local-level dynamization processes are based on IUCN's micro-project experience, and the fisheries interventions build on IUCN and CIPA experience).

Nevertheless, implementation of the project will involve a fairly high level of expert technical assistance. Specialized technical advisors will be contracted to provide regular guidance and technical quality assurance to the implementing agencies and teams, particularly in the areas of project implementation (administration, financial management), creation and management of a conservation trust fund, environmental impact assessment processes, social assessment and participation, and biodiversity conservation, management and monitoring.

Capacity building is emphasized throughout project design, with on-the-job training by technical advisors and specific consultancies, targeted training, and exchange of lessons learned through study tours and meetings. Full time technical assistance will be kept to a minimum, with punctual visits by an advisor over the long term favored wherever possible.

#### **4. Institutional:**

The detailed institutional, financial and monitoring and evaluation arrangements have been examined during appraisal (See Section C.4 for presentation of proposed implementation arrangements.)

##### **4.1 Executing agencies:**

The experience and capacity among the Government implementing agencies at all levels is weak, as is that of many of its NGO partners. In addition, the project seeks to put in place new institutional structures, specifically IBAP (linked to Ministry of Agriculture), possibly a conservation trust fund (with independent Board and administration) and an EIA Unit (reporting to the Prime Minister).

The project will include a significant international technical assistance capacity to support the implementation of the refined mandates and organizational structures of implementing agencies. The project will meet necessary infrastructure, equipment, and operating costs so as to provide these agencies with the means to implement the project.

Strengthening human resource capacity is a long-term process. As indicated above the project will provide targeted training opportunities as well as on-the-job training. It will also support legal and other consultancies to help in the design and establishment of the new institutional structures, as well as technical advisors (full and part time) to provide technical guidance and assistance to implementing agencies.

Skill transfer will be a key element of their terms of reference, thus commencing the process of building capacity for implementation of the project beyond this 5-year project. Periodic inputs from these advisors will be favored over long-term residential support.

##### **4.2 Project management:**

The Ministry of Finance, with administrative support provided by IUCN, has been managing the GEF PDF B preparation grant and the IDA project preparation advance and therefore has gained experience with Bank financial management requirements and procurement and consultant contract guidelines. It has also been chairing the multi-institutional Steering Committee, facilitating broader stakeholder consultations, and managing preparation consultancies. Ministry of Finance is expected to continue to play these administrative and coordination roles during project implementation. A strong PMU will be established, with the National Coordinator supported by a full-time Chief Technical Advisor. Each component will

have an international technical advisor in the start-up phase (1½ to 2 years, and then periodic support). This will ensure that the foundation for the project is established from the outset.

#### 4.3 Procurement issues:

Procurement will be outsourced to the World Bank financed Private Sector Rehabilitation and Development Project (PSRDP) and thereby taking advantage of existing capacity, and systems and procedures. An additional procurement specialist will be recruited under the CBMP to reinforce the PSRDP's capacity for managing the extra workload. Procurement of goods works and services will be done in accordance with World Bank procedures.

#### 4.4 Financial management issues:

Financial management will be outsourced to the World Bank financed Private Sector Rehabilitation and Development Project (PSRDP) and thereby taking advantage of existing capacity, and systems and procedures. An additional financial officer will be recruited under the CBMP to absorb the extra workload. The existing PSDRP financial management system will be adapted to meet project needs and an adapted financial procedures manual will be prepared prior to effectiveness.

### **5. Environmental:** Environmental Category: B (Partial Assessment)

#### 5.1 Summarize the steps undertaken for environmental assessment and EMP preparation (including consultation and disclosure) and the significant issues and their treatment emerging from this analysis.

The overarching objective of the project is to strengthen Guinea Bissau's management of coastal biodiversity for both conservation and sustainable development ends, with an emphasis on local communities. As such, the project seeks to maintain or improve environmental quality, particularly with regard to ecosystem health and its related biodiversity of global significance. A detailed Environmental and Social Impact Assessment (ESA) has been prepared. An Environmental and Social Management Framework (ESMF) has been prepared and its conclusions integrated into the design of activities.

#### 5.2 What are the main features of the EMP and are they adequate?

The main features of the Environmental and Social Management Framework (ESMF) is an outline of the potential social and environmental impacts of the project, the mitigation measures required, the management responsibilities, and the cost associated with its implementation.

#### 5.3 For Category A and B projects, timeline and status of EA:

Date of receipt of final draft: 5 January 2004

#### 5.4 How have stakeholders been consulted at the stage of (a) environmental screening and (b) draft EA report on the environmental impacts and proposed environment management plan? Describe mechanisms of consultation that were used and which groups were consulted?

For the environmental and social screening and the elaboration of the EA, a team of a social specialist and environmental specialist supported by an international expert toured the project zone and conducted meetings with the target populations. The team also met with all major players institutions related to the implementation of the project. The final EA and ESMF were discussed publicly by a cadre of experts, and amended thereafter. Finally, the target population in the project zone has been informed via community and

regional radio stations about the project and possible environmental and social impacts. The professionals in the capital city were further reached through a two-page public disclosure in the national newspaper.

#### 5.5 What mechanisms have been established to monitor and evaluate the impact of the project on the environment? Do the indicators reflect the objectives and results of the EMP?

Project impact on the environment will be monitored during implementation using indicators that reflect the objectives and results of the project.

### **6. Social:**

#### 6.1 Summarize key social issues relevant to the project objectives, and specify the project's social development outcomes.

Two social issues are of importance during implementation of this project. The first is participation of people in decisions related restricted access to natural resources following the implementation of management plans in the protected areas. In order to facilitate participatory natural resource management, a Process Framework has been developed during the course of project preparation as a guide to how people will be involved in decision-making of changes to regimes of natural resources use. The second issue is to understand the social underpinnings of incentives for behavior of people in their practices of natural resource use. The project will address this issue in detail by including community specific stakeholder identification and analysis as part of the FIAL microproject identification process and by conducting thorough social assessments of the reserved fishing zones, in order to guide the project staff who will be working with the target populations.

#### 6.2 Participatory Approach: How are key stakeholders participating in the project?

All aspects of the project design have been discussed and approved by a multi-institutional Steering Committee. At the local level, Park Management Committees have in the past been part of development of current management plans, and will continue to be the central forum for the continuation of protected area management activities being implemented by the project under the auspices of IBAP.

#### 6.3 How does the project involve consultations or collaboration with NGOs or other civil society organizations?

The community development, protected area management, and reserved fishing zone activities of the project cannot be designed or implemented without constant dialogue with concerned stakeholders. NGOs, local community/resource user associations, and traditional leaders will all be directly involved in project implementation.

#### 6.4 What institutional arrangements have been provided to ensure the project achieves its social development outcomes?

Participation of and consultation with project affected populations. Beneficiary assessments will be conducted at beginning, mid- and end-term. Inclusion of long term Chief Technical Advisor with expertise in social development and participation for the duration of the project, plus a social participation expert fulltime for the first 18 months and part time thereafter.

#### 6.5 How will the project monitor performance in terms of social development outcomes?

Social development outcomes are embedded in the indicators for improved management of protected areas

and reserved fishing zones. Details of the methodology are given in the document *"Reporting Progress at Protected Area Sites. A simple site-level tracking tool developed for the World Bank and WWF"* which is used as the backbone system for tracking performance in management of natural resource which by nature is a function of social development outcomes.

## 7. Safeguard Policies:

7.1 Are any of the following safeguard policies triggered by the project?

Policy	Triggered
Environmental Assessment (OP 4.01, BP 4.01, GP 4.01)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Natural Habitats (OP 4.04, BP 4.04, GP 4.04)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Forestry (OP 4.36, GP 4.36)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Pest Management (OP 4.09)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Cultural Property (OPN 11.03)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Indigenous Peoples (OD 4.20)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Safety of Dams (OP 4.37, BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in International Waters (OP 7.50, BP 7.50, GP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)*	<input type="radio"/> Yes <input checked="" type="radio"/> No

7.2 Describe provisions made by the project to ensure compliance with applicable safeguard policies.

A Social and Environment Management Framework (ESMF) has been prepared and will be implemented by the client as an integral part of the project.

A Process Framework (PF) has been prepared and disclosed, and will be used to determine how people affected by a restriction of access to natural resources will be consulted. A micro-finance mechanism (FIAL) will in part be dedicated to compensate those people who have been affected.

A Resettlement Policy Framework has been prepared and disclosed. The Bank has received a letter from the Government confirming that no involuntary resettlement is expected under this Project. Should that take place, however, the Project includes the appropriate instruments to mitigate and monitor instances of involuntary resettlement, through the Resettlement Policy Framework.

## F. Sustainability and Risks

### 1. Sustainability:

Sustainability is a central theme of the proposed project which, building upon the achievements of the past 13 years, aims to turn a corner in Guinea Bissau's approach to management of the coastal zone. Up to this point, Guinea Bissau's environmental and coastal zone program has been heavily reliant upon project-linked, external technical and financial support. As on-going donor programs draw to a close and future sources of external financing become increasingly rare and unpredictable, the introduction of mechanisms to secure institutional and financial sustainability represents a crucial and timely step towards ensuring the long term sustainability of the country's coastal and biodiversity management efforts.

Thus the project, through creation of IBAP and the aim of catalyzing the establishment of a private Foundation, seeks to provide a sustainable institutional and financial framework for coastal and marine biodiversity management, while keeping the burden on Government to a minimum. Sustainability of IBAP activities will depend upon securing: i) sufficient capital for the Foundation to meet IBAP's minimum



operational and work program needs; ii) an appropriate governance structure with satisfactory management guidelines; iii) a sound framework governing IBAP's relationship with its parent ministry; and iv) commitment of beneficiaries and other stakeholders to participate in the conservation activities under the project.

In order to promote sustainability of the RFZ and fisheries management and MCS activities, the project will assist the Government with planning for recurrent costs for all project-financed activities. The increased public revenue streams that will accrue as a result of strengthened management and MCS will directly contribute to the sustainability of these activities. Furthermore, the project will build the capacity at the local level for the co-management of RFZs, so that local stakeholders will be empowered to implement management measures.

Furthermore, recognizing that coastal and marine biodiversity concerns cannot be addressed in isolation, and will be affected by broader environmental and natural resource management decisions in and outside the coastal zone, the project also seeks to establish a broader legal and institutional framework, primarily in the form of environmental assessment regulations and harmonization of legislation, to ensure the judicious management of environmental and social factors and thus promote adoption of a sustainable economic development path.

Project design also emphasizes human resource capacity building, another key aspect to the sustainability of project objectives. Human resource capacity building is a long term process, the project will contribute to attaining this long term goal by: i) supporting specific, targeted training activities; ii) promoting on-the-job training and skill building; and iii) empowering local communities; particularly vulnerable groups such as women, and iv) increasing stakeholder capacity to jointly plan, manage and monitor biodiversity conservation and sustainable use of the coastal zone, and environmental impact assessment processes more broadly.

At the local level, the project seeks to test and develop alternative livelihood strategies that will promote sustainable use of the local resource base. Through FIAL, the project will provide matching grants to communities to support social goods and alternative livelihoods to extractive practices, to ensure the sustainability of project activities in protected areas.

### **1a. Replicability:**

Replicability and cross-fertilization are central themes underpinning project design. The project itself aims to replicate and reinforce earlier efforts to promote protected area co-management and community based natural resource management and sustainable use efforts, seeking to expand the geographic scope and build upon these approaches. Further, the establishment of IBAP to oversee and coordinate the management of Guinea Bissau's network of protected areas will directly promote exchange and adoption of successful approaches developed within the context of this project or that of the related projects being financed by FIBA, PRCM, ASDI and others.

More specifically, with respect to:

(i) Protected areas replicability. The project will consolidate several pilot efforts on co-management of protected areas, to scale up by year three to include a fifth protected area. These co-management approaches are intended to be further replicated throughout the region. Preliminary discussions have already been held with IUCN concerning establishing a conservation corridor and possibly a transfrontier park on the Guinea and the Guinea-Bissau that protects critical habitats. Financial resources through IBAP will facilitate this scaling up.

(ii) RFZ and MCS replicability. The RFZ approach being applied under the project is a replication and adaptation of a pilot in Buba. Replication of MCS activities and expansion of the MCS station system is expected as the public revenue stream from fisheries increases. Further, the re-launch of the dialogue on a national fisheries strategy and the participation in regional fisheries activities will provide the opportunity for scaling up successful RFZ management. Budgetary provisions have been made within the CBMP to coordinate donor investments in fisheries management.

(iii) FIAL replicability. The participatory approaches to be developed and applied through the FIAL build upon the experience gained by IUCN and its partners over the past decade or so of working with communities on natural resource management concerns. Through FIAL these experiences will be synthesized and a framework and structure for continued community development through micro-projects developed. These approaches will be shared with other development partners, and be disseminated through fora such as the project’s Donor Committee and the PRCM, thus encouraging take up and replication of the successful models.

Finally, opportunities for wider dissemination of lessons learned and replication of successful approaches throughout the region also exist through Guinea Bissau’s participation in regional fora such as the Regional Program for Coastal Management (PRCM) and the Subregional Fisheries Commission.

**2. Critical Risks** (reflecting the failure of critical assumptions found in the fourth column of Annex 1):

Risk	Risk Rating	Risk Mitigation Measure
<p><b>From Outputs to Objective</b> Regional neighbors fail to complement Guinea Bissau efforts to effectively manage globally significant diversity.</p>	M	<p>The project will include activities that actively encourage data and information sharing and coordination of actions, thus promoting complementarity between national and regional efforts. Furthermore, the risk of ineffective actions by neighbors is expected to be minimal as there are already (a) several effective regional networks in place, and (b) similar biodiversity and coastal zone management in The Gambia (under implementation), Guinea Conakry and Senegal (in preparation).</p>
<p>National implementation capacity is insufficient.</p>	H	<p>Capacity limitations, both human and financial, are severe in Guinea Bissau. The project aims to address the issue of weak human resource capacity by providing targeted capacity building activities. On the job training will be emphasized although course attendance will also be supported. Technical assistance will certainly be required, but will always be teamed up with national counterparts and the RFPs for all consultancies actively favor those including the provision of local capacity building. The project will also directly tackle the issue of financial capacity by attempting to put in place</p>



<p>Insufficient institutional stability and frequent turnover of key government staff</p>	<p>H</p>	<p>a self-sustaining conservation trust fund to support biodiversity conservation activities in perpetuity. A semi-autonomous Institute with the mandate for biodiversity and protected area management will be created. Although policy and strategic guidance will derive from Government, it will be financially and administratively autonomous, thus ensuring continuity of implementation in the face of shifts in public institutional organization and staff.</p>
<p>Foundation will not be sufficiently capitalized to generate an income stream sufficient to support IBAP's program of conservation activities.</p>	<p>H</p>	<p>The project will include support for fund raising activities and demonstrating the effectiveness of IBAP. Further, IBAP's administrative and program costs will be kept as low as possible so as to match realistic expectations of endowment generated income stream. This will be done through a combination of a streamlined institutional structure with a clearly defined mandate, and setting clear priorities for programming.</p>
<p>It is not possible to establish and maintain an appropriate balance between the IBAP's responsiveness to Government policy and its need for operational autonomy.</p>	<p>M</p>	<p>The President of IBAP will be appointed following a transparent competitive application process and determined by IBAP's Board (in line with TORs deemed acceptable to the World Bank), and the board will be appropriately balanced between all stakeholders.</p>
<p>Insufficient willingness and/or capacity amongst key stakeholders, particularly local communities, to participate in PA management and sustainable livelihood processes.</p>	<p>M</p>	<p>There has been extensive consultation with stakeholders at all levels to ensure strong project ownership. In addition a multi-institutional steering committee and a broader consultative committee has overseen project preparation to ensure varied stakeholder interests are incorporated in design. Both of these processes will be continued throughout implementation. Additionally, awareness raising and sensitization activities are central to components I and II, ensuring continued information sharing and learning and promoting broad understanding of the project. Training focusing on PRA techniques, etc., will be emphasized for NGOs and other implementers to build capacity to facilitate involvement of local level stakeholders.</p>
<p>Unable to identify viable, more</p>	<p>S</p>	<p>Component II will be designed as a pilot to learn</p>

biodiversity-friendly livelihood activities.		about how to create incentives for local resource users to decrease environmental damage while improving quality of life. It will thus test what options may exist and how to involve local communities. Previous experience indicates that alternative use options do exist, however they may be limited. During project preparation specific micro-project eligibility criteria will be further defined, including an assessment of whether development activities that are biodiversity neutral would be supported under this Component.
Government will not provide the annual budget for the recurrent costs of surveillance activities and investments supported by the project, thus jeopardizing the sustainability of these activities	H	The project will require the focal points of the implementing agencies to submit annual work projects and budgets to the inter-ministerial project Steering Committee, so that they can review progress made towards milestones/targets and ensure that the Government has provided budget for the recurrent costs for the upcoming year. Disbursements for RFZ and fisheries activities could be suspended should the Government budget for recurrent costs for project-funded surveillance activities be found insufficient.
<b>From Components to Outputs</b>		
<b>Overall Risk Rating</b>	S	

Risk Rating - H (High Risk), S (Substantial Risk), M (Modest Risk), N (Negligible or Low Risk)

### 3. Possible Controversial Aspects:

No controversial aspects are anticipated with this operation.

## G. Main Conditions

### 1. Effectiveness Conditions

1. The Project Implementation Decree has been issued by the Government in form and substance satisfactory to the Bank;
2. the IBAP has been established under terms and conditions satisfactory to the Bank, including with the appointment of its President, the Chief Operating Officer, and an accountant, all with qualifications and under terms of reference satisfactory to the Bank;
3. The IBAP-IUCN Agreement has been executed between IBAP and IUCN;
4. A Joint Ministerial Decision (*Despacho Ministerial Conjunto*) between the Borrower's State Secretary of Natural Resources and Energy and the Ministry of Agriculture has been issued in form and substance satisfactory to the Association transferring the responsibility for managing the Cufada Natural Park to IBAP;
5. The Government has adopted or caused to be adopted a Project Implementation Plan and the

- Procedures Manual in form and substance satisfactory to the Bank;
6. The Government has provided the Annual Work Program for the first year of Project implementation;
  7. The PMU has been established under terms and conditions satisfactory to the Bank, including with the recruitment of, *inter alia*, an independent auditor and an accountant with qualifications and under terms of reference satisfactory to the Bank.
  8. The Government has adopted a financial management system satisfactory to the Bank and retained an accountant, within the PMU, with qualifications and under terms of reference satisfactory to the Bank.
  9. A fisheries coordinator and an environmental impact assessment coordinator have been recruited by CIPA and the Office of the Prime Minister, respectively, with qualifications and under terms of reference satisfactory to the Bank; and
  10. The Steering Committee has been established and its corresponding members appointed, all under terms and conditions satisfactory to the Bank.

**2. Other** [classify according to covenant types used in the Legal Agreements.]

**H. Readiness for Implementation**

- 1. a) The engineering design documents for the first year's activities are complete and ready for the start of project implementation.
- 1. b) Not applicable.
- 2. The procurement documents for the first year's activities are complete and ready for the start of project implementation.
- 3. The Project Implementation Plan has been appraised and found to be realistic and of satisfactory quality.
- 4. The following items are lacking and are discussed under loan conditions (Section G):

The draft Project Implementation Plan has been appraised it is found to be of satisfactory quality. However, a final version will be prepared using a project preparation advance.

**I. Compliance with Bank Policies**

- 1. This project complies with all applicable Bank policies.
- 2. The following exceptions to Bank policies are recommended for approval. The project complies with all other applicable Bank policies.

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Peter Kristensen  
**Team Leader**

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Mary Barton-Dock  
**Sector Manager**

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John McIntire  
**Country Director**

**Annex 1: Project Design Summary**  
**GUINEA-BISSAU: Coastal and Biodiversity Management Project**

<b>Hierarchy of Objectives</b>	<b>Key Performance Indicators</b>	<b>Data Collection Strategy</b>	<b>Critical Assumptions</b>
<p><b>Sector-related CAS Goal:</b></p> <p><b>a. CAS Goal:</b> Poverty alleviation and social sector development.</p> <p><b>b. Sector related CAS goal:</b> Macro-economic stability and sustainable growth.</p>	<p><b>Sector Indicators:</b></p> <p>A. Poverty indicators, particularly regarding voice, vulnerability and resource access.</p> <p>B. Environmental and social costs are internalized in development decision-making.</p>	<p><b>Sector/ country reports:</b></p> <p>A. National poverty assessment/PRSP implementation monitoring data.</p> <p>B. Review of decision-making at ministerial level.</p>	<p><b>(from Goal to Bank Mission)</b></p> <p>Political stability is attained and maintained.</p> <p>Good governance program is implemented.</p>
<p><b>GEF Operational Program:</b></p> <p>Conservation of globally significant ecosystems and species in Guinea Bissau strengthened (GEF Operational Program 2)</p>	<p><b>Outcome / Impact Indicators:</b></p> <p>C. Ecosystem health and function maintained or improved within protected areas, their buffer zones, the Biosphere Reserve and fishing reserves.</p>	<p>C. National implementation Progress Reports submitted to the Convention on Biodiversity.</p>	<p>GOGB recognizes and effectively implements broader poverty reduction and social and economic development programs that are compatible with national biodiversity conservation efforts.</p>

<b>Hierarchy of Objectives</b>	<b>Key Performance Indicators</b>	<b>Data Collection Strategy</b>	<b>Critical Assumptions</b>
<p><b>Project Development Objective:</b> The capacity of Government agencies and natural resource users in Guinea-Bissau strengthened to collaboratively manage coastal environments and biodiversity for both conservation and sustainable development ends</p>	<p><b>Outcome / Impact Indicators:</b></p> <ol style="list-style-type: none"> <li>1. At least 3,500 square Km of land and water under improved management, as defined in the PIP, by end of project.</li> <li>2. All of public and private development projects eligible for review are submitted for environmental impact assessment review prior to being implemented.</li> <li>3. As of January 1, 2007, the number of infringements of the applicable regulatory framework related to the Reserved Fishing Zones by fishing vessels decreases by 10% per year in relation to the baseline established in calendar year 2006.</li> <li>4. As of January 1, 2007, the Government provides sufficient financial resources to cover the operational and maintenance costs of all fisheries surveillance activities (including surveillance stations, vessels and patrols).</li> </ol>	<p><b>Project reports:</b></p> <ol style="list-style-type: none"> <li>1. Reports from Institute for Biodiversity and Protected Areas Management (IBAP)</li> <li>2. Reports from independent review of EIA screening process</li> <li>3. Surveillance reports from project-sponsored patrols.</li> <li>4. National Budget</li> </ol>	<p><b>(from Objective to Goal)</b></p> <p>Government of Guinea-Bissau recognizes the importance of incorporating environmental and social dimensions into development decision-making, particularly with respect to attaining goals of poverty alleviation and sustainable and equitable growth.</p>

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
<p><b>Output from each Component:</b></p> <p><b>Output 1:</b> A financially viable administratively autonomous Institute for Biodiversity and Protected Areas (IBAP) manages a network of protected areas in a participatory manner, and implements endangered species action plans</p> <p><b>Output 2:</b> Local communities in and around protected areas practice diverse community-driven, sustainable use of coastal natural resources</p> <p><b>Output 3:</b> Environmental and social impacts of major public and private sector development projects evaluated</p> <p><b>Output 4:</b> Project Management Unit is operational and adaptively managing the project</p>	<p><b>Output Indicators:</b></p> <p>5. Management effectiveness of 5 protected areas improved by end of project (Orango NP, João Vieira &amp; Poilao NP, Cacheu NP, Cufada Lagoon Natural Park, and the new Cantanhez protected area)</p> <p>6. Management effectiveness of three fishing reserves (João Vieira, Orango,) improved by end of project</p> <p>7. 75 % of community development micro-projects project funded by the Community Fund (FIAL) each year considered to have satisfactorily achieved their objectives.</p> <p>8. Sector policies, procedures and regulations required for EIA's prepared by end of year 2</p> <p>9. Quality and timeliness of project implementation</p>	<p><b>Project reports:</b></p> <p>5. Score derived from World Bank/WWF Protected Areas Management Effectiveness Tracking Tool (completed by both protected area managers and adapted for beneficiary surveys)</p> <p>6. Score derived from Marine Protected Areas Tracking Tool (completed by Centre de Investigation Appliqué (CIPA) and Direction Générale de Pêche Artisanale (DGPA))</p> <p>7. Independent evaluation Report of impact of the Community Fund (FIAL)</p> <p>8. Published in Boletim Oficial of Guinea-Bissau</p> <p>9. Annual evaluation of fiduciary and technical performance and impact</p>	<p><b>(from Outputs to Objective)</b></p> <p>An appropriate balance between IBAP's necessary administrative autonomy and its institutional linkages to government can be achieved and maintained.</p> <p>Legal authority of the park directors, management committees and management plans respected by other government authorities.</p> <p>Interest and commitment of local level stakeholders participate in community planning process and implementation of project activities.</p>

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
<p><b>Project Components / Sub-components:</b></p> <p><i>Component 1: A financially viable administratively autonomous Institute for Biodiversity and Protected Areas (IBAP) manages a network of protected areas in a participatory manner, and implements endangered species action plans</i></p> <p><b>Institutional strengthening</b></p> <ul style="list-style-type: none"> <li>● Creation of IBAP</li> <li>● Information management and communication</li> <li>● Coordinate conservation efforts with regional programs (e.g. PRCM)</li> <li>● IBAP headquarters operating cost</li> </ul> <p><b>Management of Protected Areas</b></p> <ul style="list-style-type: none"> <li>● Operation of Orango NP</li> <li>● Operation of João Vieira &amp; Poilao NP</li> <li>● Operation of Cacheu NP</li> <li>● Operation of Cufada Lagoon Natural Park (including the elaboration and implementation of management plans)</li> <li>● Operation of Cantanhez protected area (creation of the protected area, elaboration and implementation of management plans)</li> </ul> <p><b>Species Conservation</b></p> <ul style="list-style-type: none"> <li>● Preparation and implementation of action plans for priority endangered species</li> <li>● Information sharing with national and</li> </ul>	<p><b>Inputs: (budget for each component)</b></p> <p><b>US\$ 3.728.1 million</b></p>	<p><b>Project reports:</b></p>	<p><b>(from Components to Outputs)</b></p> <p>Implementation team and GOGB counterparts/staff are not subject to frequent turnaround.</p>

international  
biodiversity networks

*Component II: Local communities in and around protected areas practice diverse community-driven, sustainable use of coastal natural resources* **US\$ 5.056.7 million**

**Community development**

- Implement participatory needs assessment for target areas
- Manage provision of credits from a revolving fund (FIAL) to micro-projects
- Monitoring, evaluation and auditing of micro-projects

**Conservation Foundation**

- Design and catalyze setup of Foundation for IBAP financing mechanism
- Execute fundraising strategy

**Reserved Fishing Zones (RFZ)**

- Conduct baseline social and participatory resource assessments underpinning delimitation and regulation of RFZ
- Convene public discussion on proposed local fisheries regulations
- Promote artisanal fisheries law and the RFZ regulations
- Prepare and implement participatory surveillance of RFZ
- Coordinate RFZ efforts with other national fisheries sectors efforts
- Launch national debate on sustainable fisheries

**Monitoring, Control and surveillance**

- Operations of two stations at Orangozinho and Caravela.
- Setting up a Vessel Monitoring System

*Component III: Environmental and social impacts of major public and private sector* **US\$ 0.631.2 million**



*development projects evaluated*

**EIA capacity building**

- Prepare sector policies for environmental impact assessments (EIA)
- Coordinate the implementation of international conventions (Biodiversity, Ramsar, CITES, and Bonn)
- Implement awareness campaign for public and private sector decision-makers and investors
- Train EIA practitioners in government institutions
- Apply environmental impact assessment laws, regulations and procedures.

*Component IV: Project Management Unit is operational and adaptively managing the project*

**US\$ 1.293.1 million**

**Steering Committee and Donor Committee**

- Bi-annual planning review of M&E results
- Integration of national and international initiatives

**Project Management Unit**

- Operating cost
- Training

## **Annex 2: Detailed Project Description**

### **GUINEA-BISSAU: Coastal and Biodiversity Management Project**

#### **By Component:**

##### **Project Component 1 Protected Areas and Threatened Species Management - US\$3.73 million**

This component will create a financially and administratively autonomous **Institute for Biodiversity and Protected Areas (IBAP)** which will manage five protected areas in a participatory manner and will implement action plans for at least three threatened species. IBAP will be mandated by the Government to implement national policies and strategies for biodiversity conservation and protected areas management. Its long-term financial sustainability will be assured with the creation of a Conservation Foundation under Component II.

The creation of IBAP requires both legal and capacity building activities. Project preparation funds have supported definition of IBAP's mandate and its legal establishment. These activities include an audit of institutional responsibilities vis-à-vis biodiversity conservation, the definition of absolute attributions for IBAP and the other implicated institutions, the design of IBAP's institutional and governance structures and the preparation of its legal statutes. It is expected that IBAP will be formally created prior to project effectiveness.

The project itself will provide IBAP with the necessary operating framework through the amendment of the Protected Areas Framework Law and other existing legislation to reflect IBAP's roles and responsibilities. It will also establish IBAP's Board, develop internal administrative and financial operating procedures, secure a building to house IBAP headquarters, equip both IBAP headquarters and protected areas, recruit its staff, and cover training and operating costs.

Project financing will further support implementation of IBAP's mandate, enabling the gradual integration of existing **protected area management** projects into a coordinated program of activities to be overseen by IBAP. Reinforcing the decentralized participatory approach to protected areas management specified in the Protected Areas Framework Law, project activities will be overseen by IBAP and implemented in partnership with local government officials, the communities, the private sector and international, national and local NGOs. Prior to the full implementation of IBAP, protected area management activities will continue to be overseen and implemented by partners with on-going projects. These partners include IUCN's Protected Areas Nucleus (NAP) for the management of protected areas and the Coastal Planning Unit (GPC) for mapping, biodiversity studies and monitoring. During the transition phase, IUCN will provide advice to the future Director of IBAP (to be hired at project start-up to oversee establishment of IBAP), thus familiarizing the Director with existing protected area management activities. National capacity for protected areas and **species management** will concentrate on institutional strengthening and on the management of four existing protected areas, the Biosphere Reserve and the proposed Cantanhez protected area. In addition, investments will be made for conservation of threatened fauna, for example the five species of marine turtles, chimpanzees, Colobus monkeys, manatees, and sea-going hippopotamus, as well as for the monitoring of key habitats such as mangroves and primary forests. Funds under the project will also cover the costs of a Technical Advisor (fulltime for the first two years and part time for the rest of the project), biodiversity awareness activities and capacity building for implementation of international conventions (Biodiversity, Bonn, Ramsar, CITES), and regional coordination activities.

##### **Project Component 2: Natural Resources Management - US\$5.06 million**

Component 2 promotes sustainable use of biological resources at the local level and includes two groups of activities: (i) the establishment of a funding mechanism (FIAL) for sustainable use activities inside and outside of the protected areas, and (ii) capacity building to strengthen the management and the monitoring, control and surveillance of reserved fishing zones and fisheries.

#### ***Fundo de Iniciativas Ambientais Locais***

The implementation of this component will be staged. During stage I the project will establish a fund managed by the project management unit - **Fundo de Iniciativas Ambientais Locais (FIAL)**- to support community-driven conservation and development micro-projects and the affiliated participatory processes for micro-project identification and implementation (including sustainable co-management of three reserved fishing zones). During stage II the project will play a catalytic role in establishing a private **Conservation Foundation** a view to securing the long term, sustainable financing of (i) the community-driven conservation and development micro-project, and (ii) IBAP and protected area and biodiversity management.

The **Fundo de Iniciativas Ambientais Locais (FIAL)**, building on 10 years of community development experiences of IUCN, will initially provide matching grants up to \$10,000 per community in support of specific, community-based micro-projects that can be linked to project objectives. Total grant value is likely to be modified over time as experience with FIAL is gained. Grants will be complemented by local level contributions of at least 15%, in cash or kind. FIAL activities will be concentrated on communities located in or around protected areas and reserved fishing zones. Priority will be given to activities which also help reduce poverty and empower poorer communities. Based on prior national experience as well as conservation and poverty reduction criteria key themes for intervention are expected to include food security, artisanal fishing, palm exploitation, and renewable energy. Proposals for FIAL financing will be expected to meet a set of eligibility criteria, including: compatibility with management objectives of the protected area, technical feasibility, cost effectiveness, ecological, economic and social and environmental safeguards and sustainability, and demonstrated community commitment and management capacity. While the eligibility criteria and detailed operational guidelines will be finalized in the Operational Manual during the project start up phase, it is intended that specific interventions will be identified and prioritized through participatory processes involving the communities and resource users themselves, and form part of the community's Environmental Action Plan (CEAP). The CEAP preparation process will be facilitated by a trained local non-governmental organization in conjunction with local level FIAL facilitators, park staff, and other local government representatives. Once CEAP priorities are identified, a detailed micro-project proposal will be prepared by the community or designated community group with assistance from local facilitators. The proposal will be submitted initially to the Park Finance Committee, a sub-committee of the Park Management Committee, for a preliminary environmental and social screening, with particular emphasis on overall eligibility and the fit with the park management objectives and priorities. Eligible proposals will then be passed to FIAL's Permanent Technical Secretariat in Bissau for a detailed feasibility assessment (both desk and field) prior to being submitted to the FIAL Board for final approval. Capacity building and implementation support will be provided to beneficiary communities and community groups by local facilitators and, where appropriate, by contracted technical experts.

In addition to matching grants, the FIAL financing mechanism will deliver compensation to individuals and groups whose resource access is deemed to be reduced under the World Bank's Involuntary Settlement Safeguard Policy (OP/BP 4.12). Compensation will be granted at 100%. A Process Framework governing identification of affected parties, determination of compensation levels, and grievance procedures has been prepared and was confirmed as satisfactory during appraisal.

To achieve the above the component will finance both the establishment and operating costs of FIAL

administrative structures and those of the local-level facilitation processes related to the micro-project cycle. Specifically, it will support preparation of FIAL's legal statutes and policy documents, finalization of internal administrative and financial operating procedures manual, recruitment of FIAL headquarters and field staff, equipment for headquarters and the field, provision of necessary training and operating costs, including operation of multi-stakeholder financial and technical committees for the evaluation and approval of community micro-project proposals, and monitoring and evaluation of FIAL itself. The component will also cover the costs of outreach activities by facilitators (FIAL staff, local government representatives, NGOs and park staff, and community association leaders), including awareness raising and extension services (pamphlets, radio broadcasts, meetings, pilot activity demonstrations, dissemination of lessons learned, study tours, etc.). It will provide technical support to interested communities and resource user associations including participatory diagnosis and CEAP preparation, and assistance in preparation/implementation of micro-projects. Investments will be made in capacity building for facilitators, park staff, local government and NGO representatives, and the communities themselves in areas such as participatory diagnosis, project preparation and implementation, organization management, micro-enterprise development, and monitoring & evaluation.

To secure sustainable financing of both community development activities and the biodiversity and protected area management activities (under Component I) over the long term it is anticipated that over time FIAL will evolve into a private foundation: the **Foundation for Biodiversity of Guinea-Bissau - FBGB**. Once established the Foundation will work in collaboration with implementation partners rather than building implementation capacity within itself. This Foundation is expected to have at least two financing windows, one for the community-based activities under FIAL, the other for management of protected areas and biodiversity by IBAP and its partners. Once the FIAL financing mechanism is deemed to be operating effectively the project will finance the migration of FIAL into the Foundation, provided a private party can be identified to establish the foundation. Triggers for this migration will include mastery of micro-project cycle management and financial management and procurement practices which meet Bank quality standards. Activities to be financed include the Foundation's structural design, preparation of legal statutes and policy documents, information dissemination, public meetings and preparation of the administrative and financial procedures manual. Project funds will also cover start up and operating costs such as recruitment of additional Board members (if necessary), Foundation staff, training, equipment and recurrent operating costs. The Foundation will operate as a sinking fund during the lifetime of the project. However, to secure long-term funding beyond project duration, it is envisaged that the Foundation will be transformed into an endowment fund. This transformation will be triggered by a set of benchmarks (following guidelines for GEF supported trust funds and experience from other countries, in particular Brazil) once sufficient donor capital has been secured as a result of a fundraising strategy. To facilitate this transformation, technical assistance and capacity building specifically in the areas of fund raising and negotiations will be provided. It is currently anticipated that benchmarks should be met at the end of the first project phase (five years) and that materialization of the endowment fund would take place with the commencement of the second phase project.

#### *Capacity Building for Management, Monitoring, Control and Surveillance of Reserved Fishing Zones and Fisheries*

**Management of Reserved Fishing Zones (RFZs).** Many coastal areas are sensitive breeding and nursery grounds that underpin the fisheries ecosystem as a whole. The project will develop and test a new practice for managing fisheries in Reserved Fishing Zones (RFZs), which are fishing zones located in the central part of marine protected areas that are governed by special regulations approved by local communities. The project will support strengthened management and capacity building within two RFZs in the coastal

waters of Guinea-Bissau, Orango and Joao Vieira, which are areas of both local economic importance and global biodiversity significance. In these areas, enforcement of management regulations and surveillance will be designed and implemented with local stakeholders, in partnership with the extension service of the government's agency for fisheries. Specific activities will include: (i) creating options plans for Reserved Fishing Zones in Orango and Joao Vieira, by supporting social assessments and participatory resource assessments of the stakeholders, habitats, resource uses and management options for the RFZs; (ii) building capacity for RFZ management, by recruiting facilitators to work with the local communities and stakeholders in Orango and Joao Vieira to empower them as partners for the management of the RFZs; (iii) strengthening/promoting RFZs in Orango and Joao Vieira, by supporting the RFZ facilitators to begin workshops and consultations with the stakeholders for each RFZ (in order to assist them to examine the resource uses, provide options for management, establish multi-stakeholder RFZ management committees and draft RFZ management plans that can be legally recognized), and by supporting the wide socialization and awareness-raising for the management of the RFZs (including the production and distribution of up to 5,000 leaflets in a locally appropriate format in order to explain the rules of the RFZ management plans, as well as radio broadcasts); (iv) implementing and socializing RFZs in Orango and Joao Vieira, by supporting the facilitators to widely socialize the plans and rules of the RFZs with stakeholders and also engaging interested fishers to be RFZ Watchers, utilizing radios, binoculars, etc. provided by the project in order to report to authorities any illegal fishing activities; and (v) demarcating RFZs, by supporting the demarcation of the RFZs with marker buoys and providing maps to Guinea-Bissau fishers, including industrial fishing license holders and artisanal fishers.

**Monitoring, Control and Surveillance (MCS) of Reserved Fishing Zones and Fisheries.** As mentioned previously, the project will strengthen the monitoring, control and surveillance (MCS) capabilities of the Government of Guinea-Bissau, in order to support the management of the RFZs and the fisheries that impact upon these areas. Individual activities and budget lines can be categorized under either 'Monitoring' activities, 'Control' activities and 'Surveillance' activities.

**Monitoring activities** will focus on establishing a Fisheries Monitoring Center at CIPA, as the command center for a satellite-based vessel monitoring system (VMS). In brief, a VMS is based on an automatic vessel locator or transceiver ('blue box') being installed on board every licensed industrial fishing vessel (as well as fishing support vessels, etc.), which uses the global positioning system (GPS) to automatically report its position to a Fisheries Monitoring Center (FMC). Positions reported to the FMC from each vessel's 'blue box' have a unique identity. The positions are received by the FMC and stored in a database (any mainstream relational database), and can then be visualized against an electronic maritime chart backdrop on computers in the FMC, using customized VMS software. The FMC in CIPA would be linked to the surveillance stations and patrols of FiscaMar. More specifically, the project will support the following fisheries monitoring activities that will support the management of the RFZs: (i) establishing a Fisheries Monitoring Center at CIPA for a Vessel Monitoring System (VMS), by supporting the Government to contract a private firm to work with CIPA for 6 months to establish a Fisheries Monitoring Center (FMC) at CIPA, including having the firm purchase and install the hardware (satellite receiver, computers, radio, etc.) needed, as well as customize and provide the software and training to CIPA staff; and (ii) coordinating RFZs, fisheries monitoring, control and surveillance Activities and operation of the FMC, by supporting an international fisheries expert to help advise and coordinate the fisheries activities for the first one and a half years of the project, as well as a Fisheries Coordinator and technical specialists and support staff in CIPA.

The **Control Activities** will require a significant commitment from the government. In order to implement the various monitoring, control and surveillance activities (including the vessel monitoring system), the project will support a consensus-building process to create a new industrial fisheries management plan which sets limit on the resources that can be harvested and guidelines for the allocation of these resources through licensing. This industrial fisheries management plan will restructure the current industrial fishing licensing system, and serve as the basis for the vessel monitoring system. The specific control activities the project will support include: (i) re-launching the national dialogue on the fisheries sector, based on the 2003 World Bank-Supported Fisheries Sector Strategy Note, by supporting national workshops with stakeholders and donors at the beginning of implementation in order to discuss the Fisheries Sector Strategy Note and make recommendations for actions to address the sector in parallel with this project; (ii) providing technical assistance for fisheries control, by supporting a rough stock assessment of the coastal demersal and other high value species of the industrial fisheries, and also supporting a consultant to work with the Ministry of Fisheries to help conduct several critical fisheries control activities, including drafting a new Industrial Fisheries Management Plan, creating and implementing a policy for a satellite VMS for the industrial fisheries and providing the technical assistance and the office equipment for the Government to create a new National Fishing Vessel Registry; and (iii) participating in regional fisheries activities, by supporting the Government and project staff to participate in sub-regional fishing activities where cooperation may enhance management of transboundary resources and users in the RFZs (such as with the Sub-Regional Fisheries Commission), including learning exchanges, and particularly meetings to discuss integrating VMS and sharing surveillance activities.

**Surveillance activities:** In order to act upon the information provided by the satellite-based VMS, the Government will need patrol capabilities for the RFZs and other fishing areas. The aim of surveillance activities supported by the project will be to establish the most cost-effective patrol capabilities possible for the surveillance agency of the Ministry of Fisheries (FiscaMar), through a constant presence at sea launched from two surveillance stations on the islands in close proximity to the RFZs, which would be in communication with the FMC. Towards this aim, project will support capital investments to establish two surveillance stations, at Caravela and Orangozinho, as well as establish cost-effective patrol capabilities and trained staff. The specific surveillance activities the project will support include: (i) building capacity in FiscaMar for surveillance of RFZs, by supporting the training of FiscaMar staff in patrol and surveillance protocols and methods for RFZs, including the management plans that will be developed for the RFZs, joint patrols and response to community observations; (ii) establishing small, cost-effective surveillance stations on the two islands of Caravela and Orangozinho, by supporting the investment costs for the two stations, the equipment and the patrol boats (the technical specifications for the procurement of the boats and their characteristics will be determined prior to effectiveness but will be based on the principal of least costs), for carrying out patrols of the RFZs and fishing areas, coordinated with VMS; and (iii) operating and maintaining the surveillance stations at Caravela and Orangozinho, by providing the recurrent costs for their first six months of operation of the two stations and patrols, after which the Government of Guinea-Bissau will commit to providing the funds for the recurrent costs for these stations and the patrols.

### **Project Component 3: Environmental and Social Safeguards Framework - US\$ 0.63 million**

This component will create an institutional and regulatory framework for safeguarding Guinea Bissau's environmental and social values, manage the evaluation of social and environmental impacts of development projects and facilitate mainstreaming of environmental laws and regulations.

In order to strengthen environmental management in Guinea-Bissau, the project will support the establishment of an Environmental Impact Assessment (EIA) unit attached to the Prime Minister's Office. This unit will set and oversee implementation of the standards for environmental and social safeguards

required for development activities in the country. Keeping recurrent costs to a minimum, the EIA unit will be staffed by a small permanent team, and will draw upon an external network of experts for review of specific development proposals. Although initially the unit will be supported by project funds, it is expected that this unit will become financially independent through introduction of an appropriately designed fee-for-service structure.

Specifically, the component will support the establishment and operation of the EIA unit, including staff, equipment, and contracted reviewers. The component will also support the development, adoption, dissemination and implementation of environmental impact assessment (EIA) legislation, regulations and procedures, including the preparation of sector-specific guidelines (e.g., for energy, fishing, mining, tourism). Component costs will also cover capacity building for EIA review and monitoring of compliance. The project will support an in-depth evaluation of environmental and social impacts of destructive fishing practices and proposed offshore petroleum development, including organization of public hearings and other consultative mechanisms. International environmental and social safeguard standards will be applied to proposed development activities prior to national legislation taking effect.

#### **Project Component 4 - US\$1.29 million**

This component will finance the establishment and operation of a small Project Management Unit (PMU) and its auxiliary oversight and coordination structures, a multi-disciplinary Steering Committee and Project Management Group, respectively. It will also ensure the monitoring and evaluation (including periodic independent evaluations) of the project. More specifically, costs to be covered are establishment and operation of the PMU, including PMU staff, equipment, a full time Chief Technical Advisor, and recurrent operating costs. The operating costs of the Steering Committee and Project Management Group meetings will also be covered as will capacity building activities for PMU staff, including team building with the Steering Committee and Project Management Group.

With respect to monitoring and evaluation, distinctions are made between project progress (outputs) and impact (outcomes). Component IV would cover the costs associated with monitoring project implementation progress while the costs of gathering baseline and monitoring data relevant to the subsequent independent evaluation of biological, ecological and social trends during the lifetime of the project and beyond will be supported under the respective components with the exception of the costs of an overarching beginning, mid- and end-term beneficiary assessment which will be financed under Component IV. The preparation of the detailed monitoring plan for the project as a whole as well as the establishment and management of a project Management Information System to track implementation progress would be supported under this component.

**Annex 3: Estimated Project Costs**  
**GUINEA-BISSAU: Coastal and Biodiversity Management Project**

**Estimated Project Cost by Component and by financier (from Costab)**

Guinea Bissau  
Coastal and Biodiversity Management Project (CBMP)  
**Components by Financiers**  
(US\$ '000)

	<b>Govt</b>	<b>EU</b>	<b>GEF</b>	<b>IDA</b>	<b>IUCN</b>	<b>Total</b>	
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>%</b>
<b>A. PA and Threat. Species Mgt.</b>							
Protected Areas Management	88.6	-	1,582.9	-	821.0	2,492.5	22.4
Threatened Species Management	0.0	-	143.1	-	-	143.1	1.3
Institutional Strengthening	0.0	-	1,092.5	-	-	1,092.5	9.8
<b>Subtotal PA and Threat. Species Mgt.</b>	<b>88.6</b>	<b>-</b>	<b>2,818.5</b>	<b>-</b>	<b>821.0</b>	<b>3,728.1</b>	<b>33.6</b>
<b>B. Natural Resource Management</b>							
Community Development	-0.0	1,587.0	597.9	454.5	-	2,639.4	23.8
Reserved Fishing Zones Management (RFZ)	812.5	-	399.7	869.4	-	2,081.7	18.7
Surveillance of RFZ and associated areas	0.0	-	-	335.6	-	335.6	3.0
<b>Subtotal Natural Resource Management</b>	<b>812.5</b>	<b>1,587.0</b>	<b>997.7</b>	<b>1,659.5</b>	<b>-</b>	<b>5,056.7</b>	<b>45.5</b>
C. Env. and Soc. Safeguards Framework	0.0	-	169.2	462.0	-	631.2	5.7
D. Project Management	0.0	-	814.7	878.5	-	1,693.1	15.2
<b>Total PROJECT COSTS</b>	<b>901.1</b>	<b>1,587.0</b>	<b>4,800.0</b>	<b>3,000.0</b>	<b>821.0</b>	<b>11,109.1</b>	<b>100.0</b>

**Disbursement Accounts by Financiers (from Costab)**

Guinea Bissau  
Coastal and Biodiversity Management Project (CBMP)  
**Disbursement Accounts by Financiers**

	<b>Govt</b>	<b>EU</b>	<b>GEF</b>	<b>IDA</b>	<b>IUCN</b>	<b>Total</b>	
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>%</b>
1. Civil Works	0.0	-	44.1	114.2	-	158.3	1.4
2. Goods and Equipment	0.0	111.1	916.2	664.3	821.0	2,512.6	22.6
3. TA, training and other services	88.6	774.8	3,313.8	1,564.5	-	5,741.6	51.7
4. FIAL Grants	-	558.9	-	454.5	-	1,013.4	9.1
5. Operating costs	812.5	142.1	526.0	202.6	-	1,683.2	15.2
<b>Total PROJECT COSTS</b>	<b>901.1</b>	<b>1,587.0</b>	<b>4,800.0</b>	<b>3,000.0</b>	<b>821.0</b>	<b>11,109.1</b>	<b>100.0</b>

**Estimated Project Cost by Expenditure Accounts (from Costab)**



Guinea Bissau  
Coastal and Biodiversity Management Project (CBMP)  
**Expenditure Accounts by Components - Base Costs**  
(US\$ '000)

	<u>Protected Area and Threatened Species Management</u>			<u>Natural Resource Management</u>				PMU	Total
	PA Mgt	Species Mgt	Inst. Strength.	Comm. Dev.	RFZs	MCS	EIA Framew.		
<b>I. Investment Costs</b>									
A. Civil Works	42.6	-	-	-	111.3	-	-	-	153.9
B. Misc. Goods and Equipmen	1,181.4	-	160.8	113.4	69.3	150.8	11.1	30.2	1,716.9
<b>C. Transportation</b>									
Cars	125.6	-	-	50.3	-	-	25.1	50.3	251.3
Boats	103.5	-	-	-	331.7	-	-	-	435.2
<b>Subtotal Transportation</b>	229.1	-	-	50.3	331.7	-	25.1	50.3	686.4
<b>D. TA, training, studies</b>									
International TA	-	-	238.2	126.1	90.5	130.7	42.2	402.0	1,029.6
Local TA	546.3	-	363.8	438.7	196.2	-	82.7	353.1	1,980.7
Studies	88.4	108.5	14.2	130.7	173.9	-	180.9	-	696.6
Training	-	-	176.3	261.3	43.0	30.2	139.7	278.9	929.3
Promotional Materials	22.1	22.1	-	180.9	45.2	-	31.2	-	301.5
<b>Subtotal TA, training, studie:</b>	656.9	130.7	792.4	1,137.7	548.8	160.8	476.6	1,034.0	4,937.7
E. FIAL Grants	-	-	-	1,050.0	-	-	-	-	1,050.0
F. Project Prep. Advance /a	-	-	-	-	-	-	-	400.0	400.0
<b>Total Investment Costs</b>	2,110.0	130.7	953.2	2,351.3	1,061.1	311.6	512.8	1,514.4	8,944.9
<b>II. Recurrent Costs</b>									
B. O&M Vehicles & Boats	225.8	-	-	120.8	15.2	-	20.8	29.4	411.9
C. O&M Office Field and HQ	76.1	-	52.5	83.2	889.4	-	50.4	99.8	1,251.4
<b>Total Recurrent Costs</b>	301.9	-	52.5	204.0	904.6	-	71.2	129.2	1,663.3
<b>Total BASELINE COSTS</b>	2,411.9	130.7	1,005.7	2,555.2	1,965.7	311.6	584.0	1,643.5	10,608.2
Physical Contingencies	55.4	6.5	47.7	69.2	97.2	15.6	26.7	38.1	356.4
<b>Price Contingencies</b>									
<b>Inflation</b>									
Local	45.1	1.5	16.0	139.8	128.3	2.3	11.9	58.3	403.3
Foreign	39.9	6.4	44.1	61.9	47.9	9.7	24.2	29.2	263.3
<b>Subtotal Inflation</b>	85.1	7.9	60.1	201.7	176.2	12.0	36.0	87.5	666.6
Devaluation	-59.9	-2.0	-21.0	-186.8	-157.5	-3.5	-15.6	-75.9	-522.2
Subtotal Price Contingencies	25.2	5.9	39.1	14.9	18.7	8.5	20.5	11.6	144.5
<b>Total PROJECT COSTS</b>	2,492.5	143.1	1,092.5	2,639.4	2,081.7	335.6	631.2	1,693.1	11,109.1
Taxes	-	-	-	-	-	-	-	-	-
Foreign Exchange	1,951.3	129.2	940.4	1,302.3	1,149.8	302.7	521.5	745.0	7,042.2

\a Two Project Preparation Advances of each US\$ 200,000 have been granted to the Client.

## **Annex 4: Incremental Cost Analysis**

### **GUINEA-BISSAU: Coastal and Biodiversity Management Project**

#### **I. Context and General Development Goals**

1. Context. Guinea Bissau's coastal complex is characterized by an extensive interpenetration of terrestrial and aquatic environments, including vast estuaries, a large archipelago rising from a continental platform of about 70,000 km<sup>2</sup>, and seasonal coastal plains. The coastal biotopes are known to be among the richest on the West African coast in terms of diversity, productivity and food potential. In contrast, the coastal biodiversity of neighboring countries has already been seriously degraded, because of industrial and urban development, which has led to increased levels of pollution and the degradation of marine and coastal ecosystems. The Government has long recognized the importance of its coastal and marine natural resources to both the local and national economy, and is increasingly aware of the importance of these resources to the sub-region's economy. The Government has requested that the Bank assist its efforts to sustainably manage its unique coastal ecosystems and related biodiversity, to promote appropriate and responsible natural resource management schemes, and to help it address the threats resulting from on-going and planned activities, most particularly industrial fisheries and offshore petroleum.

2. General Development Goals. Guinea Bissau is one of the world's poorest countries. Its development index is among the lowest, with over 50% of the population living below the poverty line, a life expectancy at birth of 43 years, and a high level of inequality of income distribution. Subsistence livelihoods have led to deforestation and soil degradation, which have historically been seen as the basic environmental problems confronting Guinea Bissau. Within the coastal zone more specifically, the major threats to ecosystem function and habitat quality have resulted from subsistence activities such as itinerant agriculture, rice production, artisanal fishing and the extraction of fuelwood from forests and mangroves for the production of charcoal and the smoking of fish. The lack of appropriate management of coastal and marine natural resources as well as the depletion of key species within fragile ecosystems could cause severe biodiversity loss. The development objective of the proposed project aims to build the capacity of Government agencies and natural resource users in Guinea-Bissau to collaboratively manage coastal environments and biodiversity for both conservation and sustainable development ends. This is in line with national development priorities, which focus on the reduction of poverty and the development of the social sector.

3. The Role of Biodiversity Maintenance in Guinea Bissau's Development. Despite the severe constraints it faces, the Government recognizes the importance of maintaining the quality of the environment and of the natural resource base. The national development program for 2001-2010 clearly acknowledges the critical role natural resources have to play in overall economic development as well as in poverty alleviation. Priority is given to stimulation of sustainable economic growth based on diversified rural development and the rational exploitation of agricultural, forestry and fishery resources to alleviate poverty. With respect to natural resources and the environment, the development program outlines four principal objectives: (i) improving access to potable water; (ii) improving the understanding of the potential represented by the country's non-renewable resources; (iii) capacity building vis-à-vis technologies that increase the value of local resources; and (iv) ensuring sustainable exploitation of the resource base combined with judicious protection of the environment. The strategy for achieving the last objective includes the elaboration of a national policy and plan for environmental management, the management of parks and other protected areas and the elaboration and implementation of a biodiversity management program in the coastal areas.

#### **II. Baseline Scenario**

4. *General Scope.* In the absence of GEF assistance, it is expected that the Government would nonetheless pursue some program of coastal and biodiversity management to meet domestic development objectives. Some of this would be proceeding with other donor support and some would be undertaken through its own limited financial resources.

5. *Costs.* Over a five year period, the total expenditures associated with the **Baseline Scenario** are estimated to be US\$3.61 million. These are summarized in the Table at the end of this section, and can be described as follows:

- Biodiversity Conservation and Protected Area Management Support. (US\$0.91 million) The GOGB would provide minimal on-going public sector support to some of the institutions involved in management of its protected areas. This level of support is consistent with past commitments to all such initiatives and would be adequate to provide minimal protection to some of its coastal resources and ecosystems. Continued degradation of internationally and regionally important habitats would likely persist with this level of support.
- Sustainable Community Development. (US\$0.34 million) Through some donor support the GOGB would strengthen community development to reduce poverty.
- Fisheries Conservation and Management. (US\$1.02 million) Some external donor support is already committed to attempt to manage near- and off-shore fisheries and give basic support to institutional strengthening within this sector, particularly with respect to the development of an industrial fishing sector strategy and the monitoring, control and surveillance of the industrial fishing sector.
- Environmental and Social Safeguards. (US\$0.46 million) A critical intervention in support of all environment and development initiatives in the country, as it involves strengthening the broad legal framework for environmental management to include provisions for an environmental impact assessment process, so as to ensure that environmental and social safeguards are integrated into development activities. It would thus support the development, adoption, dissemination and implementation of environmental impact assessment (EIA) legislation, regulations and procedures, and capacity building for EIA review and monitoring of compliance.
- Project Management, Monitoring and Evaluation. (US\$0.88 million) To enable implementation of the project components this would support the coordination and management structures underpinning project implementation. It would thus finance: the establishment and operation of a small Project Management Unit (PMU) within the Ministry of Finance; the operation of the implementing agency coordination structures; and the development and monitoring and evaluation of project activities.

6. *Benefits.* The benefits under the Baseline Scenario focus on minimal institutional strengthening that meets immediate development objectives in the protected areas and fisheries sectors. To the extent that such institutional strengthening translates to directed improvements in resource quality, some near and long-term benefits may also be associated with greater ecosystem productivity.

### III. Global Environmental Objective

7. The global environmental objective of the GEF Alternative is to strengthen the conservation of globally significant ecosystem and habitats and species under national jurisdiction. The project will build on results from earlier environmental initiatives and on an existing network of protected areas along the coastline of Guinea-Bissau, and will contribute to poverty reduction in rural coastal areas by providing livelihood strategies through participatory sustainable management schemes for natural resource use. The global and development objectives are sought via the following operational outputs: 1) A financially viable administratively autonomous Institute for Biodiversity and Protected Areas (IBAP) manages a network of protected areas in a participatory manner, and implements endangered species action plans; 2) Local communities in and around protected areas practice diverse community-driven, sustainable use of coastal natural resources; 3) Environmental and social impacts of major public and private sector development projects evaluated; and 4) Project Management Unit is operational and adaptively managing the project

### IV. GEF Alternative

8. *Scope.* With GEF assistance for addressing the global biodiversity objectives outlined above, the Government would be able to undertake a more effective project and be able to generate benefits over and above those in the purely national interest. The major thrust of the incremental activities would be to address a number of targeted initiatives that improve biodiversity management and that provide opportunities for biodiversity-friendly community development activities.

9. *Costs.* The total expenditures associated with the GEF Alternative are estimated to be US\$ 11.11 million; these are summarized in the Table in the end of this annex. Under the GEF Alternative, the project would involve expanded or new activities as follows:

- **Biodiversity Conservation and PA Management** (US\$ 3.73 million) The **new Institutional Framework Support activity** is absent from the Baseline and will focus on the establishment of an institutional framework that ensures the coordinated, priority-driven management of protected areas and biodiversity, over the long term. The proposed framework includes establishment and operationalization of an administratively and financially autonomous Institute for Biodiversity and Protected Area Management (IBAP), which would be mandated by Government to implement national policies and strategies for the management of biodiversity and protected areas. *Protected Area and Threatened Species Management* activities will be **expanded** will focus on strengthening the capacity for and improving the conservation of biodiversity, both nationally and regionally. Interventions will concentrate on institutional strengthening and on the management of the four existing protected areas and the proposed Mata de Cantanhez Park, as well as on the conservation of key globally and regionally threatened fauna. Building on and complementing on-going activities, the activity will support the gradual integration of existing stand-alone projects into a coordinated program of activities to be overseen by IBAP. The types of costs to be financed include those associated with: (i) identification, classification and management of the proposed Mata de Cantanhez protected area; (ii) elaboration, finalization, approval and implementation of management plans for existing protected areas; (iii) strengthening and operation of the multi-stakeholder Protected Area Management Committees; (iv) elaboration and implementation of endangered and threatened species action plans; (v) implementation of a biodiversity-focused public awareness program; (vi) design and implementation of a long-term biodiversity monitoring system (including

completion of baseline and other periodic studies); (vii) participation in and information sharing with national, regional and global biodiversity and threatened species networks; and (viii) capacity building required to implement the above.

- Sustainable Community Development. (US\$ 5.06 million) This **enhanced activity** aims to promote conservation and sustainable use of biological resources at the local level. While priority will still be given to activities that at the same time help reduce poverty and empower poorer communities, the activities will be concentrated on communities located in or around protected areas or within the Biosphere Reserve; these areas will thus serve as development poles. The component will complement the economic-oriented baseline activities through support for the participatory identification and implementation of community-based micro-projects that directly and indirectly promote biodiversity conservation and sustainable use of natural resources. These biodiversity-friendly micro-projects proposed by eligible beneficiaries (communities, resource user associations, local NGOs, etc) will be financed via a Fund for Local Environmental Initiatives (FIAL). FIAL will constitute the embryo of a sustainable conservation financing mechanism - the future Foundation for Biodiversity in Guinea Bissau (FBGB). Once operating efficiently, it will evolve into a sustainable financing mechanism to support in perpetuity IBAP's operation and activities, including the management of protected areas and biodiversity conservation in Guinea Bissau and FIAL's biodiversity-friendly community development initiatives.

In addition, the component will support a multi-faceted, local-level facilitation process to promote stakeholder participation in the overall project and facilitate access to the FIAL, as well as resource-specific activities related to fisheries and mangrove management. **Expanded Fisheries Conservation and Management activities** will concentrate support on increasing the protection of the more sensitive breeding and nursery grounds that underpin the fisheries ecosystem as a whole. It will develop and test a new concept and practice for the conservation of fisheries' resources in Guinea Bissau, namely the introduction of Fishing Reserves, i.e., fishing zones governed by special regulations. During this pilot phase, project interventions will focus on protected areas and their zones of influence. Surveillance over the reserves and enforcement of management regulations will be implemented through local stakeholders, in partnership with the extension and surveillance services of the Ministry of Fisheries. This pilot approach is expected to facilitate ownership of local stakeholders over national coastal resources and to provide incentives for protection of fish nursing and breeding grounds. Funds under this component would support: (i) studies to support the identification and selection of ecologically sensitive areas where the establishment of Fishing Reserves would be expected to promote biodiversity conservation; (ii) preparation of regulations for these Reserves, including support for the public consultation processes; (iii) preparing and implementing participatory surveillance plans to enforce the regulations (including facilitating the establishment of partnerships between public, private and local communities); (iv) public awareness and sensitization campaigns to promote a responsible fishing culture (as defined in FAO responsible fishing guidelines) and awareness of the important role played by these Fishing Reserves; (v) regular meetings of the regional *Conselhos Consultivos da Pesca Artisanal*; and (vi) biological and socio-economic monitoring and evaluation of the impacts.

- Environmental and Social Safeguards Framework. (US\$0.63 million) This **enhanced**

**activity** supports an evaluation of the environmental and social impacts of destructive fishing and proposed offshore petroleum development, particularly as these may affect the attainment of protected areas and biodiversity conservation objectives. It includes the organization of public hearings and other consultative mechanisms. In addition, the activity supports the revision of policies to ensure harmonization both internally and with respect to national commitments to biodiversity related international conventions (Biodiversity, Ramsar, CITES, Bonn). Further, this enhanced activity will conduct an ecological study of environmental destructive fishing so as to mainstream biodiversity concerns into the broader policy framework for environmental management.

- Project Management, Monitoring and Evaluation. (US\$1.69 million) This **enhanced activity** will enable the efficient administration of GEF project funds, the operation of the multi-institutional structures necessary to ensure coordinated biodiversity conservation between institutions and the vertical integration of biodiversity concerns within sectoral programs and projects. It will also support the evaluation of progress towards improved protection and management of globally significant ecosystems and species.

10. *Benefits.* The GEF Alternative incorporates the benefits of the Baseline Scenario, and will enable further beneficial outcomes beyond those already specified. In addition to the Baseline benefits, incremental benefits to the global community include the ability to sustain a protected area system which is capable of conserving and sustaining globally significant and representative biodiversity, despite competing economic pressures on the resource base. GEF assistance will enable Guinea Bissau to protect and to utilize sustainably the country's biodiversity beyond a nationally justified and affordable level. Global benefits will include enhanced monitoring and information exchange through improved record-keeping, and effective capacity to preserve endangered species through the ability to fulfill international biodiversity conservation treaty obligations under CITES. Continued protection of many additional ecological functions, and of option and existence values, is an unquantified but a large benefit to the global community. Also, the better understanding of the threats presented by destructive fishing practices and oil exploitation on coastal and marine protected areas and biodiversity, and the sharing of the lessons learned, will enhance the regional and global capacity to address these issues.

11. *Incremental Domestic Benefits.* It is estimated that domestic benefits of US\$2.7 million will be realized with the GEF Alternative case. These benefits are associated with readily quantifiable sustainable uses associated with direct interventions supported through the community development and fisheries management initiatives. Other indirect benefits may also be realized through improved coastal management (e.g., reduced coastal erosion, improved water quality) but any incremental economic benefits from these improvements have not been estimated or included here although they are acknowledged by GOGB to be one of the justifications for some level of Baseline support to the sector as a whole. The \$2.7 million in sustainable use benefits are a best estimate of incremental incomes that might be generated through a successfully targeted community development and fishery management program. Currently, some 54,000 people live in the Archipelago and coastal areas and they are among the poorest in the country, with mean per capita incomes of the order of \$100 - \$150 annually. The project notionally will target the poorest among these, seeking a sustained income improvement of the order of 20% over the project period for one-half of the coastal population in the affected area; such levels of improvement are consistent with pilot projects elsewhere and are also consistent with the Government's development goals of poverty alleviation. The notional benefit is thus estimated as the population times the affected target proportion times the project life times the mean improvement in base income: (54,000 people x

50%) x 5 years x (20% x \$100/yr/person) = \$2.7 million

## V. Incremental Costs

12. *Incremental Expenditures.* The total expenditure under the Baseline Scenario is estimated to be US\$3.61 million while the total expenditure under the GEF Alternative is estimated to be US\$11.11 million. The incremental expenditures under the GEF Alternative are therefore US\$7.50 million.

13. *Incremental Costs.* The incremental expenditures of US\$7.50 million are partially offset by an incremental domestic benefit of US\$2.70 million. This benefit would not have been realized in the baseline scenario, and is primarily associated with local sustainable direct uses from the community development and fisheries management components of this project. The net result is that the **incremental costs of the GEF Alternative is US\$ 4.80 million**, for which GEF assistance is requested. The allocation of these amounts, and the resultant financing structure for the GEF Alternative as a whole, is summarized in the following table:

Components	Category	Expenditure (US\$ million)	Domestic Benefit	Global Benefit
<b>Component A: Protected Areas and Threatened Species Management</b>				
Sustainable Institutional Framework (institutional Strengthening)	Baseline	US\$ 0.00		
	With GEF Alternative	US\$ 1.09	Local institutional strengthening and support that lowers long-term cost of institutional framework.	Institutional strengthening of primary agencies responsible for meeting Guinea Bissau's international commitments to biodiversity protection.
	<b>Incremental</b>	<b>US\$ 1.09</b>	<b>US\$ 0.00</b>	
Biodiversity Conservation and Protected Area Management Support	Baseline	US\$ 0.91	Basic protection of key coastal resources.	
	With GEF Alternative	US\$ 2.64	As above.	Improved protection of key globally and regionally threatened habitats and fauna. Higher levels of conservation; enhanced monitoring and information exchange through improved record-keeping, improved animal welfare and protection of endangered species.
	<b>Incremental</b>	<b>US\$ 1.73</b>	<b>US\$ 0.00</b>	

<b>Component B: Natural Resources Management</b>				
Sustainable Community Development	Baseline	US\$ 0.34	Minimal sustainable use and incomes to communities and households in the coastal zone.	
	With GEF Alternative	US\$ 2.64	Sustainable use and incomes to communities and households in and around coastal Protected Areas. Creation of a sustainable financing mechanism for management of protected area network, endangered species and community initiatives in and around protected areas.	Reduced pressure on internationally important habitats and species in Protected Areas.
	<b>Incremental</b>	<b>US\$ 2.30</b>	<b>US\$ 1.70*</b>	
Fisheries Conservation and Management	Baseline	US\$ 1.02	Local institutional strengthening in fishery management.	
	With GEF Alternative	US\$ 2.42	Sustainable fishery benefits from introduction of Reserved Fishing Zones.	Reduced pressure on internationally important species and ecosystems
	<b>Incremental</b>	<b>US\$ 1.40</b>	<b>US\$ 1.0*</b>	
<b>Component C: Environmental and Social Safeguards Framework</b>				
Environmental and Social Safeguards Framework for Guinea-Bissau	Baseline	US\$ 0.46	Basic protection of critical human and natural resources.	
	With GEF Alternative	US\$ 0.63	As above, but in addition in depth understanding of social and environmental threats posed by destructive fishing practices and oil exploitation, and a clear set of regulations that would mitigate impact of global environmental goods.	Reduced global and regional externalities and increased understanding and ability to avoid negative impacts on globally significant biodiversity, protected areas and ecosystems.
	<b>Incremental</b>	<b>US\$ 0.17</b>	<b>US\$ 0.00</b>	
<b>Component D: Project Management, Monitoring and Evaluation</b>				
IV. Project Management, Monitoring and Evaluation	Baseline	US\$ 0.88	Efficient administration of project funds, coordination of implementing institutions, and evaluation of progress.	
	With GEF Alternative	US\$ 1.69	Efficient administration of project funds, coordination of implementing institutions, and evaluation of progress.	Efficient administration of GEF project funds, coordination of implementing



				institutions, and evaluation of progress towards improved protection and management of globally significant ecosystems and species.
	<b>Incremental</b>	<b>US\$ 0.82</b>	<b>US\$ 0.00</b>	
<b>Total for All Project Components</b>	<b>Baseline</b>	<b>US\$ 3.61</b>		
	<b>With GEF Alternative</b>	<b>US\$ 11.11</b>		
	<b>Incremental Expenditure</b>	<b>US\$ 7.50</b>	<b>US\$ 2.70*</b>	
<b>Summary Calculation for GEF Eligibility</b>	<b>Incremental Domestic Benefit</b>	<b>(US\$ 2.70)</b>		
	<b>Incremental Cost</b>	<b>US\$ 4.80</b>		

\* Domestic benefits are described only to those activities generating capturable income by affected populations. The \$2.7 million benefit estimate is consistent with a 20% improvement in incomes for the coastal population of that may be targeted or otherwise affected by income generation projects and fisheries sector management initiatives. The total benefit is arbitrarily allocated to these two components as they are jointly responsible for the outcomes. See text for additional discussion.

## **VI. Summary of specific GEF investments under this project.**

In component A on protected areas and species management the GEF will funding cost associated with institutional strengthening, including technical assistance, a portion of the staff cost for IBAP (which is matched by the Government by 22%), equipment and light updating of park infrastructure (this complements the baseline, in-kind contribution of IUCN of existing park infrastructure). The GEF will also invest in studies required for the establishment of the new Cantanhez Protected areas, and species actions plans (Chimpanzes, Colobus, Manatees, and Marine Turtles) as well as legal work required to updating existing protected areas legislation in addition to operating cost of the parks.

In component B on natural resources management the GEF will funding cost associated with technical assistance in participation of local populations in park management, and on a cost-sharing basis it will fund the training of community facilitators and the generation of community environmental action plans and associated operating cost. The GEF will not fund anything related to mitigation loss of access to natural resources following the instigation of park management plans. Further, the GEF will not provide any grants

to communities for community development projects. Both of these are considered baseline scenario. In fisheries, the GEF will be financing on a cost-sharing basis activities related to the creation and management of community management and surveillance of reserved fishing zones. GEF is not financing establishment and operation of the government's surveillance stations.

In component C on the environmental and social safeguards framework, GEF is only co-financing work related to sectoral safeguards regulations as they relate to biodiversity of global importance, as well as review and revision of national legislation and policies to ensure harmonization both internally and with respect to national commitments to biodiversity related international conventions.

In component D, which include the project management, monitoring and evaluation, the GEF is financing on a cost sharing basis the project management unit.

## Annex 5: Financial Summary

### GUINEA-BISSAU: Coastal and Biodiversity Management Project

#### Investment/Recurrent Cost by Component by year (From Costab)

Guinea Bissau  
Coastal and Biodiversity Management Project (CBMP)  
Project Components by Year -- Investment/Recurrent Costs  
(US\$ '000)

	Totals Including Contingencies					Total
	04/05	05/06	06/07	07/08	08/09	
<b>A. Protected Area and Threatened Species Mgt</b>						
<b>Protected Areas Management</b>						
Investment Costs	1,351.1	399.4	190.3	125.0	134.2	2,200.0
Recurrent Costs	58.7	58.2	57.9	57.7	60.0	292.6
<b>Subtotal Protected Areas Management</b>	<u>1,409.7</u>	<u>457.7</u>	<u>248.2</u>	<u>182.7</u>	<u>194.2</u>	<u>2,492.5</u>
<b>Threatened Species Management</b>						
Investment Costs	4.2	54.0	37.4	23.5	24.0	143.1
<b>Institutional Strengthening</b>						
Investment Costs	197.1	241.1	212.8	210.2	180.5	1,041.6
Recurrent Costs	10.2	10.1	10.1	10.0	10.4	50.9
<b>Subtotal Institutional Strengthening</b>	<u>207.3</u>	<u>251.2</u>	<u>222.9</u>	<u>220.2</u>	<u>190.9</u>	<u>1,092.5</u>
<b>Subtotal Protected Area and Threatened Species Mgt</b>	<u>1,621.3</u>	<u>762.9</u>	<u>508.4</u>	<u>426.4</u>	<u>409.2</u>	<u>3,728.1</u>
<b>B. Natural Resource Management</b>						
<b>Community Development</b>						
Investment Costs	423.3	550.2	593.4	481.5	387.9	2,436.3
Recurrent Costs	40.6	40.4	40.2	40.2	41.7	203.1
<b>Subtotal Community Development</b>	<u>463.8</u>	<u>590.6</u>	<u>633.7</u>	<u>521.6</u>	<u>429.6</u>	<u>2,639.4</u>
<b>Reserved Fishing Zones Mgt (RFZ)</b>						
Investment Costs	97.7	752.4	163.8	62.7	65.0	1,141.5
Recurrent Costs	7.3	10.5	246.3	332.1	344.0	940.1
<b>Subtotal Reserved Fishing Zones Mgt (RFZ)</b>	<u>105.0</u>	<u>762.9</u>	<u>410.0</u>	<u>394.8</u>	<u>409.0</u>	<u>2,081.7</u>
<b>Surveillance of RFZ and associated areas</b>						
Investment Costs	69.0	145.8	120.9	-	-	335.6
<b>Subtotal Natural Resource Management</b>	<u>637.8</u>	<u>1,499.2</u>	<u>1,164.6</u>	<u>916.4</u>	<u>838.6</u>	<u>5,056.7</u>
<b>C. Env. and Soc. Safeguards Framework</b>						
Investment Costs	76.3	112.0	232.4	76.7	62.3	559.8
Recurrent Costs	9.8	13.9	15.0	16.1	16.7	71.4
<b>Subtotal Env. and Soc. Safeguards Framework</b>	<u>86.1</u>	<u>125.9</u>	<u>247.4</u>	<u>92.8</u>	<u>79.0</u>	<u>631.2</u>
<b>D. Project Mgt, Monitoring and Evaluation</b>						
Investment Costs	743.0	210.6	253.4	211.8	149.1	1,567.9
Recurrent Costs	21.9	22.8	24.2	27.6	28.7	125.2
<b>Subtotal Project Management, Monitoring and Evaluation</b>	<u>764.9</u>	<u>233.4</u>	<u>277.6</u>	<u>239.4</u>	<u>177.8</u>	<u>1,693.1</u>
<b>Total PROJECT COSTS</b>	<u>3,110.1</u>	<u>2,621.4</u>	<u>2,198.0</u>	<u>1,675.0</u>	<u>1,504.5</u>	<u>11,109.1</u>
Total Investment Costs	2,961.7	2,465.6	1,804.4	1,191.2	1,003.0	9,425.9
Total Recurrent Costs	148.4	155.9	393.6	483.8	501.6	1,683.2

**Annex 6(A): Procurement Arrangements**  
**GUINEA-BISSAU: Coastal and Biodiversity Management Project**

**Procurement**

**General**

The procurement of goods, works and services will be done in accordance with the Bank's *Guidelines on Procurement under IBRD Loans and IDA Credits* (January 1995, Revised January and August 1996, September 1997, and January 1999) and the *Guidelines on Selection and Employment of Consultants by the World Bank Borrowers* (January 1997, Revised September 1997, and January 1999). The Bank's standard bidding documents for goods and the standard forms of contract and request for proposals for consulting services will be used under the project. Any goods or services not financed by the Bank will be procured in accordance with the public procurement regulations of the country or the co-financing institution's procurement regulations.

The Republic of Guinea Bissau has a National Procurement Code, which has been developed with support from the World Bank and tested in five line Ministries. A CPAR will be completed after an adequate period of application of the new code. Overall, the procurement environment is acceptable to the World Bank, and the new Code would facilitate NCB for goods and works and the adherence to Bank's procurement guidelines.

**Advertisement**

A general procurement notice will be published in the United Nations *Development Business*, announcing goods and consultant services to be procured and inviting interested eligible suppliers and consultants to express interest. Specific Procurement Notice in *Development Business* will also be required for all consulting assignments exceeding US\$200,000 per contract. Notification and advertising will be carried out in accordance with the provisions in the Guidelines.

**Implementation**

Responsibility for all procurement under the project will rest with the project implementation unit of the Private Sector Rehabilitation and Development Project (PSRDP). The CBM project provides for incremental strengthening of the procurement capacity of the PSRDP project implementation unit with the equivalent of one full time position. After one year of project implementation, the Bank mission will re-assess the capacity of the PSRDP project implementation unit to effectively manage the procurement of the CBM Project.

**Assessment of procurement unit capacities**

An assessment of the PSRDP-PIU capacities in procurement was conducted February 6-9, 2002 and the main findings are that the PSRDP-PIU has had significant experience with World Bank procedures and feels comfortable in applying them. The primary recommendations to reinforce and better this situation are the following:

- The procurement team should continue to be reinforced with additional staff in terms of administration and finalization of procurement documents. The regional short-term consultant, who has been proposed, will provide sufficient assistance to the specialist in place, who has the capacity and knowledge to implement World Bank procedures.
- The procurement specialist should limit his intervention in the procurement activities to: (i) centralization of procurement activities in one procurement plan to ensure that the thresholds are respected in terms of methods (possibility of group expenditures and aggregates, (ii) preparation of the bidding documents and requests for proposals; and (iii) advising the component responsible

during the evaluation of the bids.

Therefore, the assessment indicates that there should be no major procurement problems. The PSRDP-PIU always uses the World Bank procurement procedures irregardless of the type of contract or the amount. This was due to (i) the need for respecting the rules of the World Bank and (ii) lack of an applicable procurement code in the country. It is also important to point out that a CPAR has never been undertaken in the country and the new national code was recently approved in January 2002, with substantial help in its preparation from the World Bank. Ultimately, however the procurement arrangements described in the PAD should not anticipate any major impact on the financial management of the project. Without going into substantial detail of the new code, since the World Bank Staff have reviewed it and are comfortable with its contents.

### **Readiness for implementation**

A detailed procurement plan for the first year of implementation will be prepared by the client and discussed at the negotiations. It will be finalized and submitted for approval before project effectiveness. A draft PIP has been prepared and found to be realistic and of satisfactory quality. The PIP will be updated quarterly. A general procurement plan reflecting the bid packages for the entire project period has been prepared. It will be updated quarterly during project implementation period.

### **Works (Small Repairs)**

Works contracts financed under the project are generally small repairs below US\$50,000. Works contracts estimated above US\$200,000 shall be subject to International Competitive Bidding (ICB). Works contracts estimated below US\$200,000, but above US\$50,000, shall be subject to National Competitive Bidding (NCB). Contracts estimated to cost less US\$50,000 shall be procured under small works procurement methods.

### **Goods**

All contracts for goods estimated to cost over US\$100,000 equivalent each shall be subject to International Competitive Bidding (ICB). Goods contracts estimated below US\$100,000, but above US\$50,000 shall be subject to National Competitive Bidding (NCB), Goods contracts estimated below US\$50,000 shall be subject to International Shopping (IS), including IAPSO and internet shopping. Contracts estimated below US\$30,000 each may be procured through National Shopping (NS).

### **Consulting services**

Except otherwise stipulated, all consulting service contracts will be awarded using the Quality and Cost-Based Selection (QCBS) method. Consulting service contracts estimated to cost less than US\$50,000 for firms may be awarded through the Consultants Qualifications (CQ) selection method in accordance with the provisions of paragraph 3.7 of the Guidelines unless a methodology is necessary to describe the mission execution. For contracts of a routine nature estimated to cost less than US\$100,000 and where well established practices and standards exist such as financial and technical audits, Least-Cost (LC) selection method may be used. All consulting services of individual consultants will be procured under individual contracts in accordance with the provisions of paragraphs 5.1 to 5.3 of the Guidelines. In exceptional cases, Single-Source selection would be used in accordance with the provisions of paragraphs 3.8-3.11.

## Training

The training will generally cover individual training attached to specific institutions, group training, on-the-job training of technical staff assisted by consultants and international experts; and hiring consultants for developing training materials, conducting training, and support for training activities through seminars, workshops and training abroad based on individual needs as well as group requirements. A detailed training program giving categories of training, number of trainees, duration of training, staff months, timing and estimated cost etc., will be submitted to IDA for review and approval prior to initiating the training process and updated annually. The appropriate methods of selection will be derived from the detailed schedule.

## Procurement methods (Table A)

### Procurement Methods (from Costab)

Guinea Bissau  
Coastal and Biodiversity Management Project (CBMP)  
**Procurement Arrangements**  
(US\$ '000)

	<b>Procurement Method</b>										<b>Total</b>
	<b>ICB</b>	<b>NCB</b>	<b>LCB</b>	<b>CS</b>	<b>LCS</b>	<b>Int. Shop.</b>	<b>Loc. Shop.</b>	<b>Direct Contr.</b>	<b>Other</b>	<b>N.B.F.</b>	
A. Civil works	-	-	145.0	-	-	-	-	-	13.2	-	158.3
B. Goods and Equipments	1,030.3	9.5	-	-	75.1	461.6	88.7	-	-	26.5	1,691.6
C. Services	642.8	-	-	2,300.8	1,708.7	-	59.4	814.6	-	215.3	5,741.6
D. Fial Grants	-	-	-	-	-	-	-	-	454.5	558.9	1,013.4
E. Park Infrastructure /a	-	-	-	-	-	-	-	-	821.0	-	821.0
F. Operating costs	-	-	-	-	-	-	-	-	779.1	904.1	1,683.2
<b>Total</b>	<b>1,673.1</b>	<b>9.5</b>	<b>145.0</b>	<b>2,300.8</b>	<b>1,783.8</b>	<b>461.6</b>	<b>148.1</b>	<b>814.6</b>	<b>2,067.8</b>	<b>1,704.8</b>	<b>11,109.1</b>
	-	-	-	-	-	-	-	-	-	-	-

/a In-kind Contribution of Existing Park Infrastructure

### Procurement Accounts (from Costab)

Guinea Bissau  
 Coastal and Biodiversity Management  
**Procurement Accounts by Years**  
 (US\$ '000)

	<b>Totals Including Contingencies</b>					<b>Total</b>
	<b>04/05</b>	<b>05/06</b>	<b>06/07</b>	<b>07/08</b>	<b>08/09</b>	
1. Civil works	5.3	123.8	9.6	9.6	10.0	158.3
2. Goods and Equipments	590.6	724.0	217.1	80.5	79.4	1,691.6
3. Services	1,391.8	1,364.6	1,325.9	850.1	809.2	5,741.6
4. Fial Grants	153.0	253.1	251.8	251.0	104.4	1,013.4
5. Park Infrastructure /a	821.0	-	-	-	-	821.0
6. Operating costs	148.4	155.9	393.6	483.8	501.6	1,683.2
<b>Total</b>	<b>3,110.1</b>	<b>2,621.4</b>	<b>2,198.0</b>	<b>1,675.0</b>	<b>1,504.5</b>	<b>11,109.1</b>

\a In-kind Contribution of Existing Park Infrastructure

**Prior review thresholds (Table B)**

The ICB for contracts of goods and works estimated to the equivalent value of US\$150,000 and 200,000 or more respectively, shall be subject to prior review by the Bank. The consultants' contracts estimated to cost over US\$100,000 for firms and US\$50,000 for individuals, as well as all sole-source contracts, and all TORs and methods for selection of consultant contracts, irrespective of the value, shall be subject to prior review by the Bank. Any training program and any workshop related to the project activities will require prior approval by the Bank. All other contracts shall be subject to ex-post review. The Bank's supervision missions will review one of ten contracts that are subject to post review. The procurement plan and schedule will be updated every three months and sent to the Bank together with the quarterly progress report.

**Table B: Thresholds for Procurement Methods and Prior Review<sup>1</sup>**

<b>Expenditure Category</b>	<b>Contract Value Threshold (US\$ thousands)</b>	<b>Procurement Method</b>	<b>Contracts Subject to Prior Review (US\$ millions)</b>
<b>1. Works</b>	> 200.000 > 50.000 and < 200.000 < 50.000 200.000	ICB NCB Proc of small works Prior review	393.9
<b>2. Goods</b>	> 100.000 > 50.000 and < 100.000 < 50.000 150.000	IICB NCB Nat'l or int'l shopping Prior review	1,657.3
<b>3. Services</b> Firms Individuals	100.000 50.000	Prior review for firms Prior review for individuals	2,133
<b>4. Miscellaneous</b>			
<b>5. Miscellaneous</b>			
<b>6. Miscellaneous</b>			

**Total value of contracts subject to prior review:** 4,184.2

**Overall Procurement Risk Assessment:** Low

**Frequency of procurement supervision missions proposed:** One every four months during the first year, then subsequently one every six months (includes special procurement supervision for post-review/audits)

<sup>1</sup> Thresholds generally differ by country and project. Consult "Assessment of Agency's Capacity to Implement Procurement" and contact the Regional Procurement Adviser for guidance.



## **Annex 6(B): Financial Management and Disbursement Arrangements GUINEA-BISSAU: Coastal and Biodiversity Management Project**

### **Financial Management**

#### **1. Summary of the Financial Management Assessment**

##### **Executive summary and conclusion**

An assessment was undertaken to determine whether the implementing agency for the fiduciary aspects, the Private Sector Rehabilitation and Development Project (PSRDP) has acceptable financial management arrangements as required by the Bank's policies, including entities' system of accounting, reporting, auditing and internal controls.

The PSRDP project is rated "Satisfactory" in the internal FM rating system of the Bank and has satisfactory financial management capacity. However, in order to assist the CBMP project, there will be a need to strengthen the current organization by recruiting a new accountant, updating the accounting system and preparing an administrative, financial and accounting manual.

##### **Staffing and implementation arrangements :**

##### ***Basic Principles***

The Project Management Unit (PMU) will take advantage of the existing capacity in the Private Sector Rehabilitation and Development Project - Project Implementation Unit (PSRDP-PIU) by outsourcing there its financial management and procurement. The financial responsibilities of the PSRDP-PIU will therefore include collection and control of invoices, management of the project's bank accounts, making payments, keeping the books of accounts and preparation of the financial reports. The PSRDP has experience and trained staff in place, which avoids having to duplicate efforts and encounter the resulting significant delay in project start-up.

Funds will be disbursed from to two Special Accounts (one for IDA Credit and one for the GEF Grant) and will be administered by the Chief Financial Officer (CFO) of the PSRDP team at the central level.

The CFO of the PSRDP team will be entrusted with the project's overall financial management and reporting and will serve as the principal contact for Bank disbursement. Implementing entities (at the national and regional levels) will be in charge of reporting with respect to their activities. Fund management will follow the same procedures as those adopted for the PSRDP project to avoid having to retrain staff and minimize the potential for errors.

The PSRDP-PIU financial management capacity has been satisfactorily assessed, including the maintenance of proper accounts, the preparation of project progress reports, the ability to process and maintain SOE documentation, and satisfactory annual auditing arrangements. SOEs will therefore be used for all expenses. Furthermore, all expenses related to contracts below prior-review thresholds will be claimed on the basis of SOEs and the supporting documentation underlying all SOEs will be made available for review by Bank supervision missions at any time. Supporting documentation will be retained by the PIU. The primary responsibility of maintaining the records rests on the CFO, assisted by the project accountant. The satisfactory assessment of the financial management system will be one condition of effectiveness.

##### ***Staffing***

Overall, the PRSSP-PIU has satisfactory financial management capacity. The finance and accounting

staff, consisting of two persons (the chief financial officer –CFO- and one accountant), are already in place. They have good academic background as well as professional experience, including project's financial management.

The CFO of the PSRDP-PIU will be responsible for ensuring that financial management and reporting procedures of the project would be acceptable to the Government and the World Bank. The CFO reports directly to the Project Coordinator of the PSRDP-PIU. The CBMP-PMU's financial and procurement management outsourcing arrangement with the PSRDP-PIU will be formalized through an internal Ministerial Decision of the Ministry of Finance prior to effectiveness..

Given the additional requirements of the project, which has two financiers (IDA and GEF), one additional financial officer will be hired to sit in the PSRDP-PIU with CBMP funds. The Terms of Reference for this new accountant was elaborated and shared with the counterpart team during the appraisal mission. This accountant will be recruited (see action plan attached) under the PPF and will work under the technical supervision of the PSRDP chief financial and accounting officer. In addition, each of the implementing units (IBAP, PMU/FIAL, Fisheries, and EIA) will have an accountant/administrator to manage the 90-day advance accounts. . The recruitment of the additional accounting staff with qualifications satisfactory to IDA for the PSRDP-PIU, CBMP-PMU will be an effectiveness condition.

#### ***The Financial Management System (FMS)***

The Financial Management System objective will be to help management effectively and efficiently provide project resources to intended beneficiaries and thus achieving the set objectives. Specifically, the FMS must be capable of producing quarterly, understandable, relevant and reliable financial information that will allow management to plan, implement, monitor and appraise the project's overall progress or lack of it. The existing computerized FMS of the PSRDP-PIU has been evaluated and allows for the proper recording of all project-related transactions as well as timely monitoring of expenditures per category, implementing agency, and component. There will only be a need to update the software for this project and elaborate the chart of accounts and the format of the reports prior to effectiveness.

#### ***Accounting Policies and Procedures***

There will be also a need to elaborate a project specific manual of administrative, accounting, and financial procedures before effectiveness. This manual must include accounting policies and procedures, definition of respective duties with a good segregation, budgeting system and all relevant administrative and financial procedures, relation between the components of the project, reporting mechanisms at each level. To this end, the manual for administrative, accounting and financial procedures of the PSRDP-PIU will be adapted to the project and submitted to the Bank for approval before effectiveness. All the staff, the stakeholders involved in the project must be trained in those procedures. The TORs of this manual was elaborated during the pre-appraisal mission and shared with the counterpart team.

Internal accounting controls for the PSRDP-PIU will be strengthened to cope with the additional work and will be satisfactory for providing reasonable assurances that accounts will be properly recorded and resources safeguarded.

#### ***Financial Management Information System (FMIS)***

The FMIS is computerized with software used in several other IDA financed projects in the region and

has been found to be satisfactory for borrower and IDA purposes. The PSRDP-PIU will prepare quarterly Financial Management Reports (FMR) for which the format will be discussed and agreed before effectiveness. The quarterly reports will cover financial management, procurement and physical progress monitoring; covering all activities financed under the project regardless the source of funding. By project effectiveness, the PSRDP-PIU would start and test the ability of the FMIS to provide, with reasonable assurance, accurate and timely information for FMR-based disbursements (i.e. the Financial Management Report, FMR). Thus, existing disbursement procedures, as outlined in the Bank's Disbursement Handbook, will be followed i.e. Direct Payment, Reimbursement and Special Commitments. A World Bank Financial Management Specialist will make a financial management review of the project's progress within 18 months of credit effectiveness.

Upon completion of the first 18-month following effectiveness, a review of the financial management system will be made to assess the capability of producing FMRs. The PSRDP-PIU will submit the following reports through the PMU: (a) semi-annual progress reports; (b) an annual report and a proposed financing plan; (c) a detailed progress report on technical and financial program activities (not later than four weeks before the date of the mid-term review); (d) mid-term review agreed recommendation report; (e) relevant sections of the implementation completion report (ICR) three months before the closing date; and (f) a to ensure project achievement sustainability. Thereafter, each FMR shall be provided to IDA not later than 45 days after each subsequent calendar quarter.

The annual financial statements of the project which would be prepared in accordance with the new guidelines of IDA (*Annual Financial Reporting and Auditing for World Bank-Financed Activities*), will include at least a statement of sources of funds, a statement of reconciliation of the special accounts, a balance sheet, and required notes to the financial statements. Also they will be submitted to IDA no later than six months after the end of the fiscal year. They would be submitted to every donors and stakeholders at the annual May/June meeting.

Accounting of the ninety-day advance accounts would be done by the PSRDP-PIU upon receipt of supporting documentation. The CBMP-PMU would only maintain a ledger to avoid delays due to the requirement of training additional staff and having the FMIS software installed at the four implementing units (IBAP, PMU/FIAL, Fisheries, and EIA). Over time, responsibilities for financial management will be increasingly transferred to IBAP to ensure that it will be a performing institution at project's end. An outside financial expert to be recruited in the second year of project implementation will guide the transfer.

## **2. Audit Arrangements**

The PIU would be responsible for project financial management, including the preparation and production of the annual financial statements in accordance with IDA new guidelines (*Annual Financial Reporting and Auditing for World Bank-Financed Activities*).

The project consolidated annual financial statements and statement of expenditures will be audited by independent external auditors acceptable to IDA according to detailed terms of reference approved by IDA. To effect efficiencies and also ensure capture of the entire financial management system, one audit would be carried out covering both the PSRDP-PIU and CBMP-PMU. The auditors' report would be submitted to IDA no later than six months after the end of a fiscal year. The auditors' report would include a management letter to be issued at the end of their audit. During the pre-appraisal mission, the TORs were elaborated and shared with the counterpart team. Selection of the independent auditor will be a condition of effectiveness.

## **3. Disbursement Arrangements**

Traditional disbursements and withdrawal procedures (i.e Direct Payment, Reimbursement, Replenishments and Special Commitments) will be in accordance with guidelines set out in the Disbursement Handbook during the first 18 months following project effectiveness. To this end, all replenishment or reimbursement applications will be submitted monthly or when the Special Account is reduced by one-third, whichever comes first. All replenishment or reimbursement applications will be fully documented except for contracts under the prior review threshold to be determined as a result of the procurement assessment. SOE documentation will be retained at the PSRDP for review by Bank staff and annual audits.

Financial Management Reporting-based disbursement (FMR). The lack of previous financial management reporting experience within the PSRDP-PIU does not favor immediate application of the FMR-based disbursement method. Nevertheless, quarterly FMRs, including financial, procurement and physical progress, will be prepared as soon as the project is effective. During an interim period of 18 months, these FMR will be reviewed and the financial management capacity strengthened. At the end of the 18 months an assessment of the financial system will be done to evaluate the capability to switch to FMR disbursements. The credit is expected to be fully disbursed over five years.

The proposed allocation of the IDA credit is shown in the table C below.

#### **Allocation of credit/other (specify) proceeds (Table C)**

#### **Use of statements of expenditures (SOEs):**

Disbursements based on Statements of Expenditures (SOEs) will be used for: (i) works with a value less than US \$ 200,000; (ii) goods and equipment with a value less than US \$ 150,000; (iii) consulting firms with contracts less than US \$ 100,000; (iv) individual consultants for contracts less than US \$ 50,000; (v) training; (vi) FIAL grants and (vii) operating costs.

Disbursements made against SOEs should be certified by the PSRDP Project Coordinator and the CFO. Supporting documentation will be retained by the executing agencies and will be available for review as requested by IDA supervision missions and project auditors.

#### **Special account:**

The Government will open two special accounts (SA) in the name of the project in a commercial Bank, to which project funds will be deposited. Most if not all credit funds will be disbursed through this procedure, with the PSRDP-PIU relying as little as possible on direct payments from Washington. Only payment amounts exceeding 20% of the balance in the special account can be claimed through the direct payment procedure. For subsequent disbursements, the PSRDP-PIU will submit appropriate justification on the use of amounts disbursed earlier (bank reconciliation statements and other reasonable documentation) to IDA. An external auditor acceptable to IDA will audit the special account annually.

The authorized allocation of the special account will be US\$ 400,000 equivalent in FCFA for IDA and US\$ 600,000 equivalent in FCFA for the GEF. These amounts have been estimated to cover about four months of expenditures. Replenishment applications should be submitted at least once per month and must include reconciled bank statements, as well as other appropriate supporting documents.

In order to allow the four implementing units (IBAP, PMU/FIAL, Fisheries, and EIA) to implement the

project in an efficient manner, four 90-day advance accounts will be established. The balance in these accounts will not exceed one-twelfth of their agreed work program and budget net of major procurement activities under the responsibility of the PSRDP-PIU. At the time replenishment of the SA is requested, the PSRDP-PIU will indicate on a reconciliation statement the location and amounts outstanding in any other project account.

**Counterpart Fund Account**

The Government's net contribution to the project is entirely in-kind (staff, facilities, operating cost, etc) and no counterfund account will be set up.

**Annex 7: Project Processing Schedule**  
**GUINEA-BISSAU: Coastal and Biodiversity Management Project**

<b>Project Schedule</b>	<b>Planned</b>	<b>Actual</b>
<b>Time taken to prepare the project (months)</b>	18	72
<b>First Bank mission (identification)</b>	02/01/1997	02/01/1997
<b>Appraisal mission departure</b>	03/08/2004	03/08/2004
<b>Negotiations</b>	03/15/2004	03/15/2004
<b>Planned Date of Effectiveness</b>	10/01/2004	

**Prepared by:**

Peter Kristensen, Environmental Specialist

**Preparation assistance:**

Virginie Vaselopulos and Marie-Jeanne Ndiaye

**Bank staff who worked on the project included:**

<b>Name</b>	<b>Speciality</b>
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Tanya Yudelman	Environment, community development
Michel Simeon	Livestock, biodiversity, economics
Peter Kristensen	Environment, Monitoring & Evaluation, Conservation
Sergio Margulis	Resource economics
Dan Owen	Social Development, Community-Driven Development
Adriana Moreira	Biodiversity, foundations
Jurai Mesik	Community foundations
Alberto Ninio	Environmental law, foundations
Liba Feldblyum	Operations, disbursement
Fily Sissoko	Financial Management Specialist
Bourama Diaite	Procurement Specialist
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Carmen Pereira	Guinea-Bissau Liaison Officer
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Robert Robelus	Environmental safeguards
Amadou Konare	Environmental safeguards
Kristine Ivarsdotter	Social safeguards
Gordon Appleby	Social safeguards
Bourama Diaite	Procurement Specialist
John Virdin	Fisheries
Fily Sissoko	Financial Management

**Annex 8: Documents in the Project File\***  
**GUINEA-BISSAU: Coastal and Biodiversity Management Project**

**A. Project Implementation Plan**

- Project Implementation Plan reviewed during appraisal. Updating of the plan is planned prior to effectiveness
- Detailed Chronogram/workplan for project implementation

**B. Bank Staff Assessments**

- Aide Memoires from all missions undertaken to prepare, appraise and negotiate the project.

**C. Other**

- Environmental And Social Impact Assessment, And Environmental And Social Management Framework (ESIA/ESMF). January 2004. Government of Guinea Bissau.
- Process Framework For The Restriction Of Access To Natural Resources and Resettlement Policy Framework. February 2004. Government of Guinea Bissau.
- Etude Juridique Et Institutionnelle Pour La Creation Et Le Fonctionnement De L'institut National De L'environnement (INA) Et De L'institut De La Biodiversite Et Des Aires Protegees (IBAP). December 2003. UNDP
- Plan D'action Regional Pour La Conservation Des Tortues Marines En Afrique De L'ouest (FIBA/UICN/WWF)
- Republic of Guinea-Bissau. Fishery strategy sector note (ESW). Technical Sustainable Development. Africa Region (AFTSD) and AFC14. in cooperation with Agriculture and Rural Development Department (ARD). 2003.
- FIAL. Concept Paper and draft procedures manual for a Micro-Finance mechanism for community development in Guinea-Bissau. 2003 Government of Guinea Bissau.

\*Including electronic files

**Annex 9: Statement of Loans and Credits**  
**GUINEA-BISSAU: Coastal and Biodiversity Management Project**  
30-Mar-2004

Project ID	FY	Purpose	Original Amount in US\$ Millions		Cancel.	Undisb.	Difference between expected and actual disbursements <sup>a</sup>	
			IBRD	IDA			Orig	Frm Rev'd
P001001	2002	Privat Sector Rehab. & Develop. Project	0.00	26.00	0.00	23.04	2.10	0.00
P065725	2000	ECONOMIC REHABILITATION & RECOVERY CR	0.00	25.00	0.00	0.00	-0.22	-4.99
P035688	1998	National Health Dev. Prog.	0.00	11.70	0.00	4.33	3.99	4.17
P001015	1997	Basic Education	0.00	14.30	0.00	4.49	4.07	3.78
<b>Total:</b>			0.00	77.00	0.00	31.85	9.95	2.96



GUINEA-BISSAU  
 STATEMENT OF IFC's  
 Held and Disbursed Portfolio  
 Feb 29 - 2004  
 In Millions US Dollars

		<b>Committed</b>				<b>Disbursed</b>			
		<b>IFC</b>				<b>IFC</b>			
FY Approval	Company	Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
1998	Banco da Africa	0.00	0.28	0.00	0.00	0.00	0.28	0.00	0.00
	Total Portfolio:	0.00	0.28	0.00	0.00	0.00	0.28	0.00	0.00
<hr/>									
<b>Approvals Pending Commitment</b>									
FY Approval	Company	Loan	Equity	Quasi	Partic				
Total Pending Commitment:		0.00	0.00	0.00	0.00				

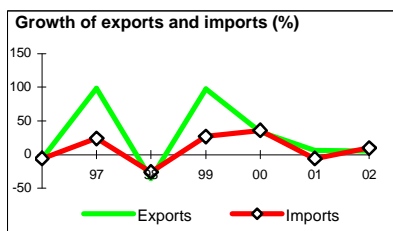
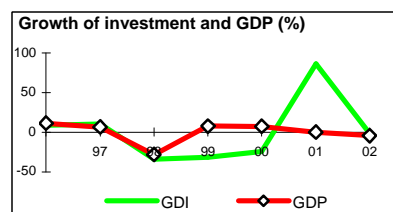
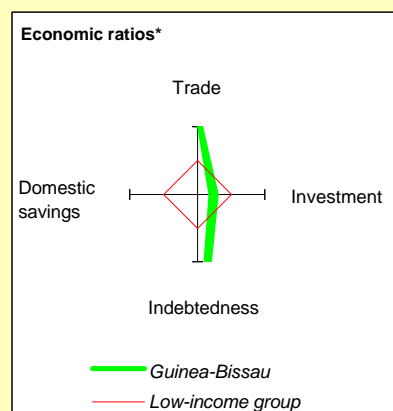
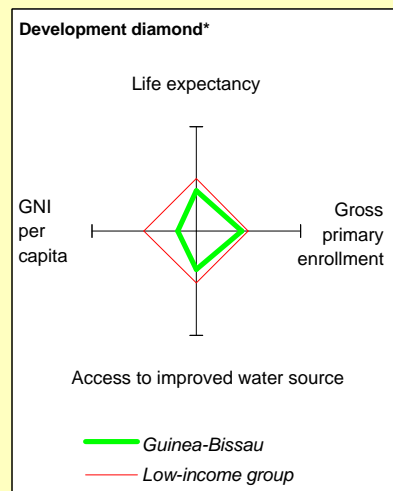
## Annex 10: Country at a Glance

### GUINEA-BISSAU: Coastal and Biodiversity Management Project

POVERTY and SOCIAL	Guinea-Bissau	Sub-Saharan Africa	Low-income		
<b>2002</b>					
Population, mid-year (millions)	1.3	688	2,495		
GNI per capita (Atlas method, US\$)	150	450	430		
GNI (Atlas method, US\$ billions)	0.19	306	1,072		
<b>Average annual growth, 1996-02</b>					
Population (%)	2.1	2.4	1.9		
Labor force (%)	2.1	2.5	2.3		
<b>Most recent estimate (latest year available, 1996-02)</b>					
Poverty (% of population below national poverty line)	..	..	..		
Urban population (% of total population)	33	33	30		
Life expectancy at birth (years)	45	46	59		
Infant mortality (per 1,000 live births)	122	105	81		
Child malnutrition (% of children under 5)	25	..	..		
Access to an improved water source (% of population)	56	58	76		
Illiteracy (% of population age 15+)	59	37	37		
Gross primary enrollment (% of school-age population)	83	86	95		
Male	99	92	103		
Female	66	80	87		
<b>KEY ECONOMIC RATIOS and LONG-TERM TRENDS</b>					
	<b>1982</b>	<b>1992</b>	<b>2001</b>	<b>2002</b>	
GDP (US\$ billions)	0.17	0.23	0.20	0.22	
Gross domestic investment/GDP	28.3	48.4	21.7	8.3	
Exports of goods and services/GDP	7.8	4.9	40.7	..	
Gross domestic savings/GDP	-5.2	3.2	-11.2	..	
Gross national savings/GDP	..	10.6	-3.2	..	
Current account balance/GDP	..	-37.8	-22.7	..	
Interest payments/GDP	0.8	1.3	5.6	3.8	
Total debt/GDP	102.8	336.4	335.7	..	
Total debt service/exports	..	59.5	59.8	..	
Present value of debt/GDP	..	..	213.0	..	
Present value of debt/exports	..	..	792.1	..	
	<b>1982-92</b>	<b>1992-02</b>	<b>2001</b>	<b>2002</b>	<b>2002-06</b>
<i>(average annual growth)</i>					
GDP	3.8	0.1	0.2	-4.2	..
GDP per capita	1.4	-2.0	-2.0	-6.3	..

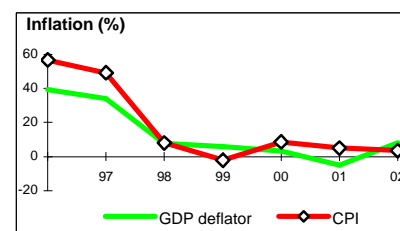
STRUCTURE of the ECONOMY		1982	1992	2001	2002
<i>(% of GDP)</i>					
Agriculture		46.8	49.4	56.2	58.1
Industry		14.4	10.7	12.7	12.2
Manufacturing		..	2.5	10.1	9.4
Services		38.8	39.9	31.1	29.7
Private consumption		75.7	87.8	98.9	..
General government consumption		29.4	9.0	12.3	..
Imports of goods and services		41.3	50.1	73.6	..
<i>(average annual growth)</i>					
Agriculture		3.5	3.2	1.2	8.1
Industry		2.8	-4.6	6.5	..
Manufacturing		6.3	-3.7	5.9	..
Services		4.2	-0.7	9.2	..
Private consumption		-3.3	0.5	-16.0	..
General government consumption		4.6	4.6	-14.2	..
Gross domestic investment		14.6	-9.9	86.2	-1.9
Imports of goods and services		-1.4	2.2	-5.8	9.9



\* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

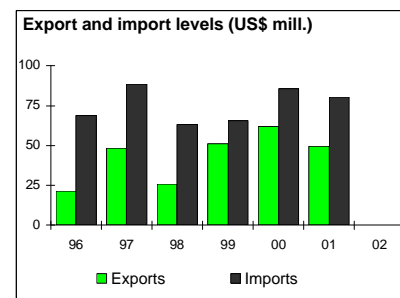
## PRICES and GOVERNMENT FINANCE

	1982	1992	2001	2002
<b>Domestic prices</b>				
<i>(% change)</i>				
Consumer prices	..	69.4	5.0	3.5
Implicit GDP deflator	16.5	65.0	-5.1	7.9
<b>Government finance</b>				
<i>(% of GDP, includes current grants)</i>				
Current revenue	0.0	13.9	22.5	..
Current budget balance	0.0	-2.1	-0.7	..
Overall surplus/deficit	0.0	-34.3	-16.4	..



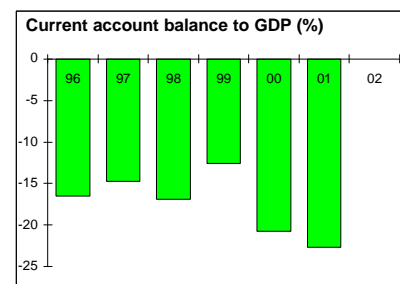
## TRADE

	1982	1992	2001	2002
<i>(US\$ millions)</i>				
Total exports (fob)	..	6	50	..
Cashew nuts	..	3	46	..
Fish and shrimp	..	1	1	..
Manufactures	..	..	..	..
Total imports (cif)	..	95	81	..
Food	..	32	30	..
Fuel and energy	..	5	9	..
Capital goods	..	24	7	..
Export price index (1995=100)	..	86	69	..
Import price index (1995=100)	..	87	115	..
Terms of trade (1995=100)	..	98	60	..



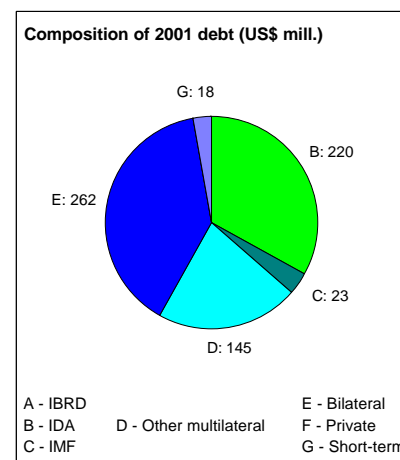
## BALANCE of PAYMENTS

	1982	1992	2001	2002
<i>(US\$ millions)</i>				
Exports of goods and services	17	11	55	..
Imports of goods and services	80	113	116	..
Resource balance	-62	-102	-61	..
Net income	..	-14	-16	-15
Net current transfers	..	30	32	..
Current account balance	..	-86	-45	..
Financing items (net)	..	91	41	..
Changes in net reserves	16	-5	4	-7
<b>Memo:</b>				
Reserves including gold (US\$ millions)	..	18	51	55
Conversion rate (DEC, local/US\$)	0.7	106.7	733.0	699.3



## EXTERNAL DEBT and RESOURCE FLOWS

	1982	1992	2001	2002
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	170	761	668	..
IBRD	0	0	0	..
IDA	13	165	220	..
Total debt service	6	7	32	..
IBRD	0	0	0	..
IDA	0	1	7	..
Composition of net resource flows				
Official grants	33	28	42	..
Official creditors	17	38	-14	..
Private creditors	1	0	0	..
Foreign direct investment	0	6	30	..
Portfolio equity	0	0	0	..
World Bank program				
Commitments	0	10	0	..
Disbursements	3	11	4	..
Principal repayments	0	0	5	..
Net flows	3	11	-1	..
Interest payments	0	1	2	..
Net transfers	3	10	-3	..



Note: This table was produced from the Development Economics central database.

8/20/03

## **Additional GEF Annex 3: STAP Review, and Response GUINEA-BISSAU: Coastal and Biodiversity Management Project**

The following STAP appraisal is based upon the Project Concept Document- Project PO49513 for Focal Area B: B – Biodiversity.

### **Overview**

The Project Concept Document is well written and sets out an ambitious initiative to improve the conservation of biological diversity within the coastal area of Guinea-Bissau. The proposal is comprehensive in that it attempts to integrate biological diversity conservation with sustainable use of renewable coastal resources and poverty alleviation and socio-economic development.

The project is worthy of support, however there are a number of points concerning the actual means of promoting effective integration of a wide cross-section of stakeholders into the implementation of the planned activities that could be better addressed in the project design. These are set out in the latter sections of this appraisal.

### **1. Scientific and Technical soundness of the project**

The development and global objectives are sound especially as they seek to move Guinea Bissau from a donor dependency to self-sustainability for natural resource management. It should be noted that although there is a sustainable development goal mentioned in the Development Objective, this is not included on the Global objective and some explanation for this is required. Given the political situation in the country the project is very ambitious and risk negation measures identified in the Critical Risks may not be complete.

The proposal is almost totally devoid of any reference as to how the project will be implemented. Furthermore the project is heavily skewed to a top down approach - initiating an effective and sustainable institutional framework is important but the proposal does not cover how a voice will be given to the communities who will be impacted by the project outputs. A stakeholder analysis should be included to confirm a wide awareness of stakeholders. Target populations should be clearly articulated for relevant project outputs.

Specifically the proposal should articulate the tools, techniques and mechanisms it proposes to employ to deliver the sector issues and strategic choices outlined in B.3 (page 8 & 9) as well as the personnel / institutions that would support the project. There is no breakdown /justification for the financial requests outlined in section C.

An analysis of the current institutional arrangements and their capacity to support the development of the project along with specific areas that require strengthening should be included.

Although the timeframe for each subcomponent listed in Annex 1 appear reasonable, how the delivery will be linked to the capacity building that is required is not articulated.

How the project will be coordinated and managed to ensure the many components/subcomponents are integrated and linked is not included.

### **2. Identification of the global environmental benefits and/or drawbacks**

The global environmental benefits and any potential drawbacks are well set out in the project proposal and

raise nor specific criticisms.

### **3. Fit with GEF goals and operational strategies**

The project proposal appears to fit the GEF goals and operational strategies. There are no specific criticisms to be addressed.

### **4. Regional context**

The regional context is well set out in the Project Concept. Successful implementation of the project would have huge regional and Global significance as it would identify and articulate methods of transferring from a donor dependency to self-sustainability. Its emphasis on establishing an institutional framework rather than focusing on increasing the scientific base for conservation is significant.

### **5. Replicability of the project**

If implemented in an effective manner, there is good potential to replicate the project within other areas of Guinea-Bissau and the surrounding region.

There are a number of more secondary issues that could be better addressed, namely:

#### *1. Linkages to other focal areas.*

The relationship of the proposed project to established GEF operational strategies for biodiversity and operational programmes for enhanced management of coastal and marine ecosystems could be made more explicit.

#### *2. Linkages to other programmes and action plans.*

The project is clearly linked to four other current initiatives - 2 specific to GB - and other (mainly IUCN) funded projects that establish the foundations for the current proposal.

#### *3. Other benefits or damaging environmental effects.*

A major potential benefit is that the proposed project is likely to demonstrate to the private sector the 'worth' of conservation.

There are no perceived adverse environmental affects.

#### *4. Degree of involvement of stakeholders in the project.*

The proposal is weak in this area and does not articulate how linkages will be established between primary, secondary and key stakeholders.

#### *5. Capacity-building.*

Although included as an integral component of the project, the detail of how this will be accomplished is weak. It is not clear how capacity building developed during the life of the project will be maintained or even extended as a self-sustaining output beyond the life of the project.

#### *6. Innovativeness of the project.*

The proposal to target the establishment of an institutional framework to support (and benefit from) conservation is an innovative feature.

### **Conclusions**

1. The proposed project is worthy of support;
2. It is an ambitious undertaking that will depend largely upon a wide body of public support if it is to

be successful and the outputs will be self-sustaining Such support will require effective stakeholder involvement in the development of the planned activities and their on-going implementation;

3. There is a lack of specific detail as to how Interested and Affected Parties (IAPs) and a wide cross-section of stakeholders will be encouraged to take an active part and work towards fulfilling the project's objectives. Experience elsewhere has demonstrated the importance of engaging IAPs and other stakeholders at an early stage in project formulation, and the need to empower these participants through effective information exchange and to enable them to play an active part in planned activities.
4. Given that specific measures are taken to strengthen this part of the Project Concept Document, the project has good prospects of meeting its stated objectives and creating self-sustaining outputs.

We trust that these comments will be of help in reviewing the proposal.

Professor Peter R Burbridge

With support from:

Dr Martin LeTissier

Dr Jeremy Hills

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England

## **Response to the Technical Review Guinea-Bissau: Coastal and Biodiversity Management Project**

### **Issues raised during STAP Review and responses:**

#### **1/ Stakeholder Participation:**

The project is working from a base situation in which stakeholder involvement has been exceptional. IUCN and other development partners prioritized a slow but fruitful dialogue with local communities prior to the creation of protected areas. A detailed socio-economic analysis of the Bijagos Islands was conducted in 1993 by the National Planning Institute (INEP), as part of the process leading to the creation of the Bolama-Bijagos Biosphere Reserve. As a consequence of their inclusion in the establishment of protected areas, communities perceive them as focal points for sustainable development. Furthermore, the Protected Area Law establishes a management committee for each protected area, with majority representation by community members. Thus, local communities will be directly involved in the implementation of Component 2. Component 3 is a follow-up on existing activities by national NGOs. The inclusion of some IDA funding will provide flexibility in addressing concerns of the communities neighboring protected areas that might not be directly related to biodiversity. The PDF B funded a study by a local NGO of past Community Based Natural Resource Management efforts and their impact, with recommendations for the implementation of Component 3. We agree with the reviewer that implementation modalities of this Component require further discussion before being finalized, and the Task Team intends to do this during Appraisal. Component 4 relies on the successful experience acquired by IUCN in the Rio Grande de Buba, where local populations were given exclusive rights to manage barracuda spawning grounds. Generalization to

other areas will require addressing the issue of migrating fishermen from neighboring countries that dominate coastal fisheries. This issue will be included in the forthcoming stakeholder analysis which will ensure that the project is properly targeted and socially sustainable. Components 1, 5 and 6 involve institutional stakeholders. The Task Team has relied on the project's Steering Committee to provide overall guidance. The Committee consists of representatives from Government, academia and the NGO community. Project preparation is also advised through the Project Consultative Council, which includes representatives from interested parties. The Task Team welcomes the suggestion to conduct a stakeholder analysis during preparation of the project, as this will provide us with a clearer understanding of expectations that will help to formulate a better project. In addition, the proposed project will be subjected to a full Environmental Assessment, as per World Bank requirements, which will also include an assessment of its social impact.

## **2/Implementation Arrangements:**

Section C.4 (Institutional an implementation arrangements) has been rewritten to clarify implementation arrangements, particularly for the period before the establishment of IBAP. Section C.2 (Key policy and institutional reforms) provides a list of the institutional reforms sought by the project. Section D.3 (Lessons learned and reflected in proposed project design) also provides further justification for the project's institutional set-up. The project's objective is not to create a new institutional landscape, but rather to ensure the continuity of on-going activities in a more sustainable and a more strategic manner. The issue of capacity building is discussed in Section E.4 (Issues Requiring Special Attention/Institutional). It should be noted that Components II, III, IV would seek to retain staff trained through past or on-going activities.

## **3/Linkages to other focal areas**

Land degradation, land use, or pollution are presently not major threats to coastal ecosystems in Guinea Bissau (in contrast to neighboring countries, where coastal ecosystems have been seriously degraded, because of industrial and urban development). There is no significant industry in Guinea Bissau and urbanization is limited. Figures from the 1980s showed that conversion of mangroves to rice had significantly reduced the amount of litter produced, which in turn potentially affected coastal fisheries. However, the rate of conversion has significantly decreased to the point of not being a major threat. Hence linkages to other GEF Operational Strategies and Programs have not been made explicit in this proposal.

## Additional GEF Annex 4: Monitoring & Evaluation Plan, and Management Information System GUINEA-BISSAU: Coastal and Biodiversity Management Project

This annex described the approach taken to Monitoring & Evaluation (M&E), management Information System (MIS), and project supervision.

### 1. Approach to M&E used by the project

Because of the weak institutional capacity in Guinea-Bissau, will make use of a rigorous M&E system at both project and component level. The client has fully endorsed the need for the project to integrate M&E into the management process in order to refine and adapt interventions during implementation.

The M&E system will provide the following types of information:

- Progress in the workplan
- Establishment of systems
- Implementation of planned activities
- Achievement of goals
- Effectiveness of the project
- Impact of the project
- Efficiency or cost-effectiveness

During preparation the project team has reviewed best practices in M&E and retained the following for its approach:

- Make use of the World Bank/WWF Protected Areas Management Effectiveness Tracking Tool as the backbone for evaluating the impact on improved management of protected areas.
- Make use of composite index for measuring the impact of species action plans. Such proxy measure enables the project to have leading indication of impact in species management. The reason is that direct measurement of status and health of population of species requires a longer timeframe for reliable monitoring information.
- Make use of independent monitoring to increase objectivity of reporting.
- Systematically incorporate responsibilities in monitoring in terms of reference in terms of reference of consultants, staff, and government counterpart associated with the project.

### 2. Process used to develop M&E Plan

Project steering committee participated in the preparation of the first version of the logframe and associated indicators in a two-day workshop in November 2002. During a preparation support mission, an M&E specialist with the participation of the steering committee subsequently refined the logframe and indicators (November 2003). Finally, the M&E plan was detailed out at pre-appraisal (January 2004) during which all details of the project were finalized.

### 3. Key users of M&E system and their information needs

In order to ensure that the right information is collected an analysis of the specific information needs at all levels will be undertaken immediately following effectiveness of the project.

In general the information needs of different users are the following.

M&E System Users	Information Needs	Purpose
At project level		



Project Steering Committee members	Challenges met during implementation	To resolve any inter-institutional conflicts
National Project Coordinator	Projection for project implementation	To anticipate manage relationships with partners
Project Manager/administrator	Status and projection for project implementation	To ensure project is on time and budget
Administrative Manager (located in PSP)	Status and projection for project implementation	To ensure that financial resources and procurement of goods are on time
Chief Technical Advisor	Feasibility of <i>what</i> the project has chosen to implement	Determine additional technical needs or solutions
Component Focal Points (IBAP, FIAL, Fisheries, EIA)	Status of component implementation	To ensure resources are appropriately allocated to deliver component on time and budget
Component Technical Advisors	Feasibility of <i>how</i> the project has chosen to implement	To ensure tools, methods are sufficient
<b>Specifically for PA management</b>		
President of IBAP	Combined score of PA management	Demonstrate successful operation of IBAP
Park Directors	Score of PA management	Document effectiveness of park management
<b>Specifically for FIAL</b>		
FIAL Permanent Technical Panel (STP) (Bissau)	Degree of success of FIAL micro-project approach	To determine alternative approaches
FIAL Facilitators (region)	Status of micro-project implementation	To ensure micro-project is on time and budget
Community Representatives (village)	Information of FIAL success rate (from ST Panel and facilitators)	To advise facilitators about options for improving FIAL (bottom-up)
Beneficiaries in villages	Status of PA management	To determine CEAPs
<b>Specifically for Reserved Fishing Zone (RFZ) Management</b>		
Project Focal Point Center for Applied Fisheries Research (CIPA)	Score of RFZ management tracking tool	Document effectiveness of RFZ management
<b>Specifically for EIA</b>		
Component Coordinator (EIA unit at INA)	Statistics on EIA of public and private investment projects in GW	Demonstrate implementation of responsible development in GW
<b>Project Supervision</b>		
Task Team Leader	Status of achievement of each indicator of Logframe	Demonstrate project success to WB Management

#### 4. Project Management Team

One of the responsibilities of the Project Management Team will be to oversee the monitoring and evaluation of the project. An M&E working group will be formed to ensure on-time implementation of the M&E activities, and to design any changes needed to the M&E process.

## 5. M&E capacity-building plan

### Project Cycle Management

- Purpose: Staff understand the principles of good project design, M&E and reporting
- Content: Logframe, reporting
- Audience: all staff associated to project management
- Duration: 3 days
- Timing: within first quarter of year 1

### The CBM M&E System (Part-I)

- Purpose: Staff can implement project M&E system
- Content: PA Tracking tool, RFZ Tracking tool, FIAL Tracking tool, EIA Tracking tool)
- Audience: M&E team members
- Duration: 4 days (1 day for overview three days in four concurrent session on the tracking tools)
- Timing: second quarter of year 1

### The CBM M&E System (Part-II)

- Follow-up refresher training
- Duration: 4 days
- Timing: year 3

### Reporting writing

- Purpose: Staff write concise reports
- Content: Review of sample reports from first half year of project implementation
- Audience: managerial staff
- Duration: 3 days
- Timing: fourth quarter of year 1

## 6. Schedule of project reports, assessments and evaluations

Project Reports	Frequency	Responsibility	Audience
M&E Report	Before, annually, end of project	Project Manager	Project Management Team
Status report	Quarterly	Component Managers	Project Management Team
Programming	Annual	Project Manager	Project Management Team
Financial reports	Quarterly	Admin Manager	Project Management Team
FIAL top-down report	Annual	FIAL Manager	Communities

## 7. Indicators

A logical framework has been prepared for the project and served as tool for determining how the achievement of project objectives will be measured. Four indicators have been retained to be used for

evaluating impact/outcomes of this project:

1. At least 3,500 square Km of land and water under improved management, as defined in the PIP, by end of Project.
2. As of January 1, 2007, the number of infringements of the applicable regulatory framework related to the Reserved Fishing Zones by fishing vessels decreases by 10% per year in relation to the baseline established in calendar year 2006.
3. As of January 1, 2007, the Borrower provides sufficient financial resources to cover the operational and maintenance costs of all fisheries surveillance activities (including surveillance stations, vessels and patrols).
4. All of public and private development projects eligible for review are submitted for environmental impact assessment review prior to being implemented.
5. 75 % of FIAL micro-projects funded by the Community Fund (FIAL) each year considered to have satisfactorily achieved their objectives.

Baseline for these indicators will set prior to project effectiveness.

## **8. Management Information System**

The management information system (MIS) will contain the necessary data on project activities under implementation, and will include:

- Procurement and physical delivery of goods, structures, and services, and the costs incurred;
- Data related to output indicators,
- Data on impact indicators

Physical and financial information will be kept with the existing system of the PSRR Project, and will be used for monitoring progress according to agreed implementation schedules and for meeting specified targets.

## **9. Timeline for implementing M&E and MIS**

Detailed timeline for implementation of M&E and MIS is included in the Chronogram for the project.

**Additional GEF Annex 13: Indicative Threats and Root Causes Analysis  
and Identification of Project Response Measures  
GUINEA-BISSAU: Coastal and Biodiversity Management Project**

Project Site/Area Characteristics	Threats/Constraints	Root Causes	Project Response
<b>Orango National Park</b>			
<p>Approved in August 1996 (and published in Boletim Oficial of 4 December 2000 - Decreto 11/2000).</p> <p>Lies within the UNESCO designated Bolama-Bijagos Biosphere Reserve (see below). Total area of 159,000 ha, of which 27,000 ha is terrestrial, 14,000 ha are inter-tidal, 17,400 ha are mangroves, and 101,000 ha are permanently submerged aquatic areas. Resident population 2268 (1997)</p> <p>Includes approx 6% of GB mangroves. Houses important threatened species such as the sea-going hippopotamus, manatee and marine turtles. 175 bird species.</p>	<p>Coastal erosion, cutting of mangrove for fish smoking in core protection zone, fishing camps in core protected zone with illegal collection of turtle eggs, accidental captures of turtles and manatees, over fishing of sharks and rays, possible encroachment of industrial fishing fleet in artisanal waters, deforestation for subsistence agriculture, conflicts between residents and hippopotamus population.</p>	<p>Poverty. Lack of alternatives.</p> <p>Lack of environmental awareness.</p> <p>Lack of enforcement or surveillance capacity.</p> <p>Participatory management plan not completed.</p>	<p>Finalize and approve participatory park management plan.</p> <p>Support to park management structures.</p> <p>Implementation of the plan (e.g., boundary marking, infrastructure, equipment, surveillance, meetings, etc).</p> <p>Community dialogue and awareness activities.</p> <p>Community sustainable use and micro-project activities.</p> <p>Elaboration and implementation of endangered species action plans (turtles, manatees).</p> <p>Biodiversity (and socio-economic) studies and monitoring.</p> <p>Definition and implementation of regulated fishing zones (studies, mapping, legislation, awareness raising, monitoring, control and surveillance).</p>
<b>Joao Vieira and Poilão Marine National Park</b>			
<p>Created August 2000.</p> <p>Lies within the core protected zone of the UNESCO designated Bolama-Bijagos Biosphere, at the south east of the Bijagos Archipelago. Its 49,500 ha comprise 7 islands and surrounding waters in which they sit.</p> <p>The Park was designated a 'Gift to the Earth' in 2001 as part of WWF Living Planet Campaign. Eligible for</p>	<p>Over fishing by migratory fishermen, especially of cartilaginous species (sharks, saw fish, and sting rays), possibly the cause of an imbalance being observed lower in the food chain. Possible encroachment of industrial fishing in artisanal waters. Mangrove deforestation for construction of canoes,</p>	<p>Poverty and Lack of economic alternatives.</p> <p>Limited understanding and knowledge of alternative resource management options and techniques (e.g., fishing techniques, shifting cultivation).</p> <p>Lack of environmental</p>	<p>A participatory management plan, resulting from extensive stakeholder negotiations and biological, socio-economic studies, is in final stages of preparation. Project will support its implementation, including the operation of the Concelho de Gestao do Parque and park administration, enforcement of the 'core' non-fishing zone (10,900 ha) and environmentally</p>

<p>designation as a wetland of international importance under the Ramsar Convention.</p> <p>Extremely rich in marine fauna, with several regionally or internationally important marine mammals (Atlantic humpback dolphin, <i>Sousa teuszii</i>, and the bottlenose dolphin, <i>Tursiops truncatus</i>, and manatees), cartilaginous fish (sharks, sawfish, and rays), and at least 3 species of marine turtles (green, olive Ridley, and hawksbill). The island of Poilão is the largest breeding ground for green turtles in west and central Africa. In addition, the park shelters important resident and migratory bird populations, including over 1000 pairs of nesting Royal Terns, 600 Caspian Tern nests, over 700,000 migratory waders. It also is home to the threatened Gray Parrot. The Sea-going Hippopotamus may also be present, however, there have been no sightings in recent years.</p>	<p>and fish smoking. Occasional accidental catches of marine turtles, and collection of turtle eggs. Shifting subsistence agriculture is leading to progressive degradation of the vegetative cover. Illegal poaching, particularly capture and sale of the Gray Parrot, which is at risk of becoming locally endangered. Although not currently of concern, tourism, if not properly managed could also pose a risk to the ecological quality and integrity of this area.</p>	<p>awareness.</p> <p>Weakening of traditional culture.</p> <p>Participatory management plan not completed.</p> <p>Inadequate surveillance capacity and hence lack of enforcement of existing regulations.</p>	<p>sustainable development activities within the remaining 'peripheral' zone (such as ecotourism, improved fishing/fish processing techniques, alternative agricultural options, and development activities in areas of health, education and potable water). Park infrastructure and equipment, boundary definition, surveillance activities. Training (populations, guards, technicians). Elaboration and implementation of endangered species action plans (turtles, manatees, hippopotamus, sharks). Scientific research to improve knowledge base and understanding of biodiversity and its interface with local populations and other stakeholders. Monitoring of biodiversity. Definition and implementation of regulated fishing zones (studies, mapping, legislation, awareness raising, monitoring, control and surveillance).</p> <p>Project will also support the designation of the site as a Wetland of International Importance under the Ramsar Convention.</p>
<b>Lagoa de Cufada Natural Park</b>			
<p>Created Buletim Oficial No. 49, December 4, 2000.</p> <p>Recognized in 1990 as Wetland of International Importance under the Ramsar Convention, it covers 39,098 ha and is comprises a complex of 3 lakes, rivers and associated ecosystems, and dense sub-humid semi-humid and dry forest.</p> <p>It is noteworthy for its wealth of bird life, with 203 species recorded. In addition to 54 mammal species (including hippopotamus and manatee) and 11 reptile species. Of great importance for migratory birds, with approx. 3000 birds of 37 species recorded in the lake, including the internationally important White Pelican</p>	<p>Natural threats to the park include decreased rainfall and sedimentation of the bafons.</p> <p>Anthropogenic threats include: subsistence agriculture, overhunting, expansion of cashew plantations, invasion of aquatic plants species in lake, increased economic activity leading to fragmentation of hippo habitat, mangrove regeneration blocking off the link between the lake and Rio Corubal, loss of biotope that is of importance to migratory</p>	<p>Poverty and lack of economic alternatives.</p> <p>Participatory management plan incomplete.</p> <p>Weak institutional capacity to implement management plan.</p>	<p>Project will continue and strengthen on-going activities: complete the species inventory, finalize zone plan, prepare management plan/rules/guidelines, strengthen park infrastructure (demarcation, buildings, equipment), support park staff and structures, continue community dialogue and awareness raising including sustainable use and micro-project activities, training (populations, guards and technicians). Biodiversity studies and monitoring activities.</p>

<p>(<i>Pelicanus onocrotalus</i>) and the Great Cormorant <i>Phalacrocorax carbo lucidus</i>.</p> <p>Area also includes sacred forest at Incassol.</p>	<p>birds.</p>		
<b>Rio Cacheu Park Natural Park</b>			
<p>Created Buletim Oficial no. 49, 4 December 2000).</p> <p>Extending up to Ilha de Jeta, the area occupies 80,000 ha and incorporates 9,500 ha of intertidal mudflats, 52,000 ha of estuarine mangroves (the 5th largest and most homogenous expanse in Africa), and 24,000 ha of swamp and marsh along the river, up to 150 km inland, as well as 10,000 ha of forest and savannah and 9,000 ha of agricultural land. Highly representative of flora and fauna found in north of country, it shelters nationally and internationally rare and endangered species, including the manatee, two species of crocodile. Provides shelter for 140 bird species and is of great importance to Palearctic waders and other waterfowl, and for birds of prey.</p>	<p>Reduction in rainfall leaves area close to lowest limit tolerated by mangroves. Also, the advance of the Sahara desert may be affecting quality of the habitats aligning the continental boundaries of the park.</p> <p>Main anthropogenic threats within the park include unsustainable use practices for the purposes of subsistence agriculture, fishing, forest exploitation (e.g., for construction), oyster collection, hunting, fuelwood collection and charcoal production.</p> <p>The cutting of mangroves for commercial purposes and increasing encroachment of bolanhas on periphery of park is of concern. Also, disturbance of the breeding and nursery areas by motorized canoes plus commercial hunting may be placing stress on certain species.</p>	<p>Increasing population pressure, particularly in the north of the park (partially due to refugees from Casamance).</p> <p>Poverty and the lack of alternatives to unsustainable use practices.</p> <p>Lack of environmental awareness.</p> <p>Participatory management plan not completed.</p> <p>Weak institutional/human resource capacity to fully implement plan.</p>	<p>Finalize the park management plan. Support its implementation (infrastructure, boundary marking, equipment, operation), training; continue community dialogue, awareness raising and sustainable use and micro-project activities. Participate in implementation of endangered species action plan (manatees, other). Biodiversity studies and monitoring activities.</p>

<p><b>Mata de Cantanhez</b> (Proposed protected area.)</p>			
<p>Proposed as a both a National and trans-frontier Park. Area to be determined</p> <p>Ecosystem is one of 200 most important identified by WWF. Contiguous with the internationally recognized 'hotspot' in Guinea Conakry identified in 1999 by GEF, WWF, UNDP, ECOSYN, and Birdlife International (Guinea Bissau excluded from the area under analysis) and proposed as both a national and trans-frontier protected area.</p> <p>Located in southern Guinea Bissau and bordered to the east by Guinea Conakry, with a proposed 106,767 ha. The park would comprise coastal lowlands, with sub-humid forest occupying approx. 59,586 ha. The proposed area includes the last few remaining stands of the primary sub-humid forest in W. Africa that originally covered Guinea Conakry, Sierra Leone, and Liberia, as well as savannah, palm forest, mangroves, wetlands, and bolanhas salgadas. Extremely rich in flora with 247 plant species, including several rare and endemic species, e.g., the rare tree <i>Guibourtia copallifera</i> and the internationally vulnerable tree <i>Afzelia africana</i>). The area is also rich in fauna, sheltering numerous terrestrial and marine mammals amongst which are found a trans-frontier population of elephants, the endangered chimpanzee, 2 species of dolphin, and the manatee. Numerous birds, resident and migratory, frequent the littoral zone and estuarine mangroves, including breeding populations of Pink-backed Pelican (<i>Pelicanus rufescens</i>), <i>Sterna caspia</i>, Sacred Ibis (<i>Threskiornis aethiopicus</i>), and Spoonbill (<i>Platalea alba</i>). Also supports numerous migratory waders.</p> <p>Site suggested for designation as a wetland of international importance</p>	<p>This relatively homogenous zone is becoming increasingly fragile. Decreased rainfall and shorter rainy season represents a natural threat to ecology of this sub-humid forest. In addition, climate alterations in the north of the country and the development of north-south roads have led to increasing immigration from the northern population, attracted by the virgin habitat and rich soils. From the south, Guinea Conakry's fishermen come to exploit the estuarine resources, establishing temporary fishing camps along the coast. Thus climate alteration is also indirectly leading to a gradual degradation of the mangroves and the forest ecosystem.</p> <p>Anthropogenic threats include: habitat fragmentation and disruption of faunal migration corridors due to abandonment of bolanhas da agua salgada (due to decreased rainfall) and expansion of other local subsistence agricultural activities, bush fires, clearing for commercial cashew plantations, establishment of new villages, opening of access roads to agricultural fields and new villages. Some specific unsustainable resource uses include selective exploitation of timber</p>	<p>Population growth and in-migration.</p> <p>Poverty.</p> <p>Clash between traditional and official laws create insecurity of tenure.</p> <p>Migrants lack traditional knowledge and understanding of ecosystems.</p> <p>Insecurity over land tenure and the increasing number of private properties in the area are reducing the area available for rain fed crops (mainly rice) and leading to increased pressure on new lands, especially within the forest.</p> <p>Lack of environmental awareness.</p> <p>Lack of knowledge of sustainable use alternatives.</p> <p>No protected status and weak understanding of coastal and marine issues in sectoral strategies and policies.</p> <p>Weak institutional capacity to conduct surveillance and enforce existing regulations.</p>	<p>Will complete feasibility studies, boundary definition, protected area negotiation process, preparation of legal statutes, establish community management committees (4) and overall park management committee, development of participatory management plans (for each of the four traditional chiefs districts) implementation of plans, equipment, park operation, training and sensitization (government, NGOs local populations), resource management improvement (bolanhas, fisheries techniques etc), sustainable use and alternatives (ecotourism, alternative products, etc.) research (biodiversity, socio-economic, immigration studies, etc). Biodiversity studies and monitoring.</p> <p>Inclusion in endangered species action plans (chimpanzees, colobus monkeys, manatees).</p> <p>Project will support classification of this site under the Ramsar Convention.</p>

<p>under the Ramsar Convention.</p>	<p>species for canoes, construction and non-timber forest products, in addition to non-selective mangrove extraction by artisanal fishermen, extraction of wood for fuelwood and charcoal production. Possible over hunting of certain monkey and antelope species is suspected. Also possible overgrazing of lalas and open forest areas and disturbance of fish breeding and nursery grounds by motorized canoes.</p>		
<p><b>Bolama-Bijagos Biosphere Reserve</b> MAB Biosphere Reserve, recognized by UNESCO in 1996. An extensive archipelago consisting of 40 islands, of which 20 are sparsely inhabited and including two national parks, Orango and Joao Vieira e Poilão (see above). Total area is 1,027,000 ha, of which 102,700 ha are terrestrial, 160,000 ha are inter-tidal and 710,000 ha are permanently sub-merged. Extremely rich in organic materials and plankton, supporting highly diverse fauna, and is a regionally important breeding and nursery zone for fish and crustaceans. Mangroves cover almost a third of its area, including the white mangrove (<i>Laguncularia racemosa</i>), a rare species in West Africa, and extensive mudflats lie adjacent to and between the islands. Reported as the second most important wintering ground for Paelearctic shorebirds in West Africa (after the Banc d'Arguin in Mauritania) and supports 10,000-15,000 pairs of breeding water birds. Its plankton rich waters support diverse marine fauna including fish, crustacean and mollusk species; regionally important stocks of five turtle species: green (<i>Chelonia mydas</i>), Loggerhead (<i>Caretta caretta</i>), Olive Ridley (<i>Lepidochelys olivacea</i>), Hawksbill (<i>Eretmochelys imbriquata</i>) and Leatherback (<i>Dermochelys coriacea</i>); marine mammals such as the bottlenose and the Atlantic</p>	<p>Unsustainable shift and burn subsistence agriculture, with decreasing fallow periods.</p> <p>Uncontrolled expansion of cashew plantation.</p> <p>Invasion of foreign fishermen.</p> <p>Inappropriate fishing techniques (e.g. net size).</p> <p>Intensive mollusk harvesting.</p> <p>Fishing in breeding and nursery grounds.</p> <p>Fishing camps constructed in vulnerable areas.</p> <p>Uncontrolled development of artisanal fisheries.</p> <p>Our fishing of sharks and rays.</p> <p>Accidental capture of marine turtles and manatees.</p> <p>Illegal harvesting of turtle eggs.</p>	<p>Poverty local and national (e.g. signature of unsustainable fishing agreements).</p> <p>High population concentration on certain islands.</p> <p>Weak institutional capacity of those with natural resource (especially marine) management mandates.</p> <p>Sectoral strategy and policy weaknesses with respect to coastal and marine management.</p> <p>Weak application of fisheries law.</p> <p>Inadequate surveillance and enforcement.</p>	<p>Support the multi-stakeholder discussion forum.</p> <p>Finalization and approval of participatory management plan.</p> <p>Community dialogue and awareness raising.</p> <p>Work with communities and other local resource users on sustainable use, alternatives, and development micro-projects. Implement the two protected area management plans (once completed and approved).</p> <p>Possible site for identification and implementation of restricted fishing zones.</p> <p>Inclusion in endangered species action plans (turtles, manatees).</p> <p>Biodiversity studies and monitoring.</p>



<p>humpback dolphin; sharks; and crocodiles. The archipelago also sustains the largest population of manatee (<i>Trichechus senegalensis</i>) in West Africa and a population of sea going hippopotami. The island of Poilão (in JVP) is the largest breeding ground for the green turtle in West and Central Africa.</p>	<p>Illegal fishing in artisanal waters by industrial fishing fleet.</p> <p>Cutting of mangrove (e.g. for fish smoking).</p> <p>Selective cutting of large trees and intensive exploitation of certain trees/tree products.</p> <p>Uncontrolled tourism and sport fishing.</p> <p>Misuse of high-powered motors.</p> <p>Capture and trade of wild animals.</p> <p>Intensification of illegal hunting for commercial purposes.</p>		
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## **Additional GEF Annex 14: Summary of Safeguard Analyses GUINEA-BISSAU: Coastal and Biodiversity Management Project**

This annex summarizes the key findings of the analyses on safeguards that have been completed for this project.

### *1. Process Framework (PF)*

Implementation of the project will necessarily involve restriction of access to natural resources in and around the national parks and legally protected areas. The Government of Guinea Bissau has therefore developed a Process Framework (PF) in order to define the process through which populations living in and around these parks and protected areas will participate integrally in the definition of restrictions, the assessment of the impact of any possible restrictions, the determination of remedial measures to redress those impacts on segments of the local population, and the resolution of any grievances or conflicts, as well as the definition and implementation of a monitoring program to assess the adequacy of the project.

**Eligibility:** Both resident and seasonal populations are fully entitled to participate integrally and meaningfully in the determination of restrictions on natural resource use, the assessment of the impact of such restrictions, the definition of remedial measures to redress those impacts, and the monitoring of the remedial measures to ensure that all persons affected are assisted to restore their previous standard of living in as short a period of time as possible.

**Mitigative measure:** The Fundo de Iniciativas Ambientais Locais (FIAL) will finance micro-projects and conservation activities proposed by the eligible populations. FIAL will have two windows, one for community development and one for mitigative measures necessitated by the collective determination of restrictions on access to resources. Community development measures are those that benefit the entire community, e.g., wells, boats, schools, clinics and other initiatives that are available to everyone in the community. Mitigative measures, by contrast, are initiatives that benefit only those people who lost access, in whole or in part, to a specific resource. Moreover, since the purpose of the mitigative measure is to assist the affected population to restore their livelihood, the measures will have a major income restoration aim.

**Grievance:** The grievance resolution process provides a general framework for conflict resolution premised, first, on finding mutually satisfactory solutions within the project framework and, then, failing that, within the local traditions and authority of the community or communities involved. The coastal groups throughout Guinea Bissau retain strong local, traditional leaders. Nevertheless, the specific details of grievance resolution must be tailored to the traditions and customs of each group and each area. Further, reliance on local systems of grievance resolution in no way precludes the intervention of administrative, police, or juridical authorities in the exercise of their stated powers. Where intense grievances between two ethnic groups arise, the only solution may be the intervention of public authorities to decide upon the matter.

If the matter cannot be resolved informally at the project level, the issue can be raised with traditional local authorities. The project authority (i.e., IBAP or its contracted NGO) can raise

the matter with the deputy of the traditional chief, who will convene the parties concerned and explore the grounds for mutually satisfactory resolution. If the deputy cannot resolve the matter, he may refer the matter to the chief, first informally, then, subsequently, if necessary, formally. In the latter case, the local chief will pronounce the final resolution at the local level.

Should the matter remain unresolved, the aggrieved party may take the matter to court. In fact, at any point in this process, the complainant has the prerogative of filing a court case, if he or she so wishes.

**Monitoring:** The PMU has primary authority for implementing a mechanism to monitor and evaluate all project activities. The monitoring system will have three basic objectives: 1) to ensure that no populations are dislocated from their present residences by the economic impact of restrictions on natural resources; 2) to ensure that project-affected people participate integrally in and benefit fully from the FIAL income-restoration program; and, 3) to involve the local populations as fully as possible in the implementation of the monitoring system.

## *2. Resettlement Policy Framework (RPF)*

Effective park management through IBAP coordination may give rise to resettlement in two ways: populations resident in the core areas within the park may have to move in order to protect the environmental integrity of the core area; or, project investments through FIAL may attract populations resident out of core areas and into buffer zones inside or around the park, particularly when relocation is in the interests of the communities affected.

The zones of impact are specifically those core areas within national and natural parks where communities either now reside or are completely encircled by core areas. In Orango National Park, there is one community on Imbone Island, which has been declared a core area in consultation with the resident populations. In Lagaos Cufada, there are six communities resident in core areas of the park. In Cacheu, there are several communities in the westernmost part of the part that are completely surrounded by core areas. Finally, the number of communities in core areas of the proposed Catanhez park has yet to be determined following the zoning of the proposed protected area.

Three alternatives exist to resettlement:

- 1) allow communities to continue to reside in the core areas
- 2) rezone the core areas to exclude resident communities;
- 3) assist the communities to relocate to the extent that they are willing. The only viable alternative on both environmental and social grounds is to offer communities resident in critical core areas the opportunity to relocate to neighboring areas of their choice. To the extent that communities opt to relocate, population pressures on the natural resources in the core areas will be eased, at least in the short term. If communities prefer to remain in the core area and that zone is determined ecologically to be a vital environmental area, then involuntary resettlement may be the only feasible option.

A detailed census of the protected areas has been included as part of the implementation of the

project, and proposals for re-zoning are expected to emerge from that work. Funds have been set aside in the budget for the legal work required to put into law the rezoning.

CBM will undertake three measures to reduce the extent of resettlement.

- First, CBM will review the current zonation of the parks in order to verify that the currently defined core areas are, in fact, critical environmental habitats. In the instance that parts or all of a core area are not critical environmentally, the core area will be rezoned as a buffer area, where populations may reside and engage in usual productive activities.
- Second, where communities reside in environmentally critical core areas, CBM, through IBAP, will consult with the communities to determine whether they are willing to relocate, and where, as long as basic assistance is provided for house reconstruction, agricultural production, social infrastructure, and other needs. Since the government professes that neither communities nor individuals should be relocated involuntarily, forced involuntary resettlement through the use of legal instruments will be, in all cases, the final resort employed only when communities resident in environmentally critical core areas decline to relocate.
- Third, CBM, through IBAP, will ensure that communities that relocate, voluntarily or not, will be treated similarly and will be provided house plots and agricultural lands, with title, as near to their current communities as is environmentally possible.

### ***3. Environmental and Social Management Framework (ESFM)***

Following the on-site evaluation of potential social and environmental impact of the project an Environmental and Social Management Framework (ESMF) has been prepared to provide mitigation measures to unintended negative impacts of the project. Key recommendations with regards to participation of communities in natural resource management issues have been incorporated into the design of the project already. In the case that unintended impacts are detected by the PMU, the ESFM will serve as the tool to mitigate the negative effects.

### ***4. Environmental and Social Screening of Micro-Projects***

In order to ensure that Bank safeguard policies are adhered to within micro-projects, the procedures manual for project cycle management of FIAL micro projects will provide a screening mechanism of proposed projects. Micro-projects that triggering Bank safeguards policies will not be eligible for the micro-project grant mechanism.

## Additional GEF Annex 15: Summary of Stakeholder Analyses GUINEA-BISSAU: Coastal and Biodiversity Management Project

Several stakeholder analyses have been made for this project. In addition, the project team has leaned on information and reports provided by partners on the stakeholders. In particular, the following documents provides analyses of how the project will work with various stakeholders:

- Environmental and Social Impact Assessment / Environmental and Social Management Framework (ESIA/ESFM), Government of Guinea-Bissau, 2004. The document describes what stakeholders influences the investments made by the project and proposes a series of actions and tools which the project can use during implementation should interventions to mitigate anthropogenic impact be required.
- Process Framework (PF) and Resettlement Policy Framework (RPF), Government of Guinea-Bissau, 2004. These two documents provide an analysis of what populations might be affected by the project following the implementation management plans of protected areas. The Process Framework describes how people will be consulted when decision about a change in natural resource management scheme will be required. The Resettlement Policy Framework (RPF) provides the tool/policy that will apply if re-location would be required as a consequence of the project.
- Guinea Bissau Fisheries Strategy Paper: 'Diagnosis and emergency restructuring plan to enhance the domestic benefits of the fishing sector and its integration in the world economy', World Bank, 2003. This document provides an analysis of the fisheries sector and what stakeholders are related to the issues facing fisheries in Guinea-Bissau, including the issues related to trans-boundary movement of fishermen.
- Socio-economic analyses specific to the protected areas. Each of the protected areas participating in this project has undergone a socio-economic analysis as part of the creation of the protected area (except for Cantanhez for which the socio-economic analysis will be developed as part of this project).

Understanding the diversity of stakeholders in the protected areas participating in this project is of great importance for the project. As it can be seen from the table below, the composition of ethnic groups and land use practices is different in each protected area. The stakeholder analyses have helped understand the interests of stakeholders, and subsequently determined what themes of micro-project that will be supported by the FIAL to create the incentive for participatory management of protected areas.

Ethnic Composition	Social Organization	Productive Activities
<i>Orango National Park (population was 2,268 in 2002)</i>		
<ul style="list-style-type: none"> <li>● Bijagós (95%),</li> <li>● Beafada</li> <li>● Mandingo</li> <li>● Serrer (Senegal)</li> </ul>	<ul style="list-style-type: none"> <li>● 3 Grands Royaumes (Orango, Bubaque, Canhabaque)</li> <li>● Grands Rois today exercise administrative and religious power over villages</li> <li>● Traditional Chiefs (with Kings) today allocated land</li> </ul>	<ul style="list-style-type: none"> <li>● Agriculture: vegetable plots, dryland rice (1,206 ha) and recessional rice (17 ha).;</li> <li>● Forest products: oil palm, fruit collection;</li> <li>● Shell collection (lime);</li> <li>● Fishing</li> <li>● Mangrove wood collection (to process fish)</li> <li>● Hunting</li> </ul>
<i>Cufada Natural Park</i>		

<i>(population was 3,500 in 1997)</i>		
<ul style="list-style-type: none"> <li>• Beafada</li> <li>• Fula (Peul)</li> <li>• Balanta</li> <li>• Pepel</li> <li>• Mandinga</li> <li>• Manjaco</li> </ul>	<ul style="list-style-type: none"> <li>• Pepel: Fishermen</li> </ul>	<ul style="list-style-type: none"> <li>• Rice cultivation (Beafada, Balanta [diked mangroves])</li> <li>• Rainfed Agriculture: Peul);</li> <li>• Millet, beans (Beafada)</li> <li>• Cashew nuts</li> <li>• Palm nuts (local women hire outside Manjaco laborers to collect the nuts and then process them)</li> <li>• Fishing (practiced by every group; Peul fish in Cufada Lagoon)</li> <li>• Hunting (domestic consumption and for sale in nearby cities)</li> </ul>
<i>Cacheu Natural Park (population was 7,950 in 1991)</i>		
<ul style="list-style-type: none"> <li>• Balanta</li> <li>• Bahum</li> <li>• Cobiana</li> <li>• Felupe</li> <li>• Manjaco</li> <li>• Cobiana</li> <li>• Papeis</li> </ul>	<ul style="list-style-type: none"> <li>• Baiote women fish with circular nets; collect oysters, crabs and other shellfish</li> <li>• Papeis: commercial fishing</li> </ul>	<ul style="list-style-type: none"> <li>• Rice (both slash-and-burn, and diked mangrove fields); millet, peanuts, manioc;</li> <li>• Domestic animals (goats, pigs, poultry);</li> <li>• Forest products (40 foodstuffs)</li> <li>• Mangrove (fuelwood, construction, heating, fish smoking, charcoal)</li> <li>• Other firewood (17 species)</li> <li>• Musical instruments (35 species)</li> <li>• Honey collection</li> <li>• Medicinal herbs (105 from forest)</li> <li>• Fishing (all ethnic groups; Senegalese in the northern sector)</li> <li>• Shellfish collection (oyster collection a specialty of Baiote women; crab; other shellfish)</li> <li>• Hunting (gun and bow-and-arrow)</li> </ul>
<i>Cantanhez Park (population to be determined during recensus)</i>		
<ul style="list-style-type: none"> <li>• Fula</li> <li>• Sosso</li> <li>• Balanta</li> <li>• Nalus</li> <li>• Djacana</li> <li>• Tandas</li> <li>• Papeis</li> <li>• Manjaco</li> <li>• Bijagós</li> </ul>	<ul style="list-style-type: none"> <li>• Fula: herders and farmers</li> <li>• Sosso: tree cultivation (banana, kola, orange)</li> <li>• Balante: rice cultivation in saline soils (mangrove)</li> <li>• Nalus: original group; slash-and-burn farming; animist religion; use some 200 forest products</li> </ul>	<ul style="list-style-type: none"> <li>• Farming</li> <li>• Livestock</li> <li>• Fishing (Guineans in estuary)</li> <li>• Mangrove cutting</li> </ul>

<p><i>Joao Vieira-Poilao National Marine Park (no resident Population)</i></p>		
<ul style="list-style-type: none"> <li>• Certain islands are traditional property</li> </ul>	<ul style="list-style-type: none"> <li>• All villages belong to the same clan</li> <li>• Resource use is limited by 'drastic' traditional rules</li> <li>• Cultivation of cereals for ritual use (<u>fanado</u>), enthronement of traditional chiefs)</li> </ul>	<ul style="list-style-type: none"> <li>• Rice production and other cereals (1733 ha; slash-and-burn)</li> <li>• Palm oil</li> <li>• Fishing;</li> <li>• Turtle fishing</li> <li>• Turtle egg collection</li> <li>• Bird collection (parrots)</li> </ul>



**Additional GEF Annex 16: Map  
GUINEA-BISSAU: Coastal and Biodiversity Management Project**



Note: A map with pertinent details and location of protected areas targeted by this project will be provided in the final PAD.



