



# PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: FSP

TYPE OF TRUST FUND: GEF TF

## PART I: PROJECT INFORMATION

<b>Project Title:</b>	Strengthening the financial and operational framework of the national PA system in Guinea-Bissau		
Country:	Guinea-Bissau	GEF Project ID:	5368
GEF Agency:	UNDP	GEF Agency Project ID:	5177
Other Executing Partner(s):	Institute for Biodiversity and Protected Areas (IBAP) of the State Secretariat for Environment and Tourism (SEAT). Directorate General for Forests and Fauna (DGFF) of the Ministry of Agriculture and Rural Development (MARD).	Submission Date:	April 4, 2013
		Resubmission Date:	April, 12 2013
GEF Focal Area (s):	Biodiversity	Project Duration	48 Months
Name of parent program:	N/A	Agency Fee (\$):	218,921

### A. FOCAL AREA STRATEGY FRAMEWORK:

Focal Area Objectives	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
<b>BD-1</b> Improve Sustainability of Protected Area Systems	GEF-TF	2,304,429	11,610,000
<b>Total project cost</b>		<b>2,304,429</b>	<b>11,610,000</b>

### B. PROJECT FRAMEWORK:

Project Objective: Strengthening financial sustainability and management effectiveness of the national PA system in Guinea-Bissau						
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
1. Strengthening the financial framework of the national PA system	Inv.	<p>1.1 <u>Initial capitalisation of the endowment of the BioGuinea Foundation (FBG)<sup>1</sup> with \$8,600,000</u>, increasing sustainability of PA system and consolidating terrestrial PAs of Guinea Bissau<sup>2</sup> by:</p> <p>i) providing a flow of stable and sustainable financing equivalent to at least 30% of the overall annual recurrent funding needs, reducing vulnerability from over-dependence on donor funding;</p> <p>ii) additional income (funds and pledges) leveraged from other sources to further capitalise the FBG and its endowment, increase the flow of recurrent revenues and the financial sustainability of the PA system (as measured by</p>	<p>1.1 <u>FBG Board and Executive Secretariat established and management systems (including fiduciary systems) in place and operational;</u></p> <p>1.2 <u>Transparent and internationally recognized auditing and reporting standards/protocols</u> to monitor and evaluate the FBG's achievements against time-bound targets and the use of endowment, sinking and revolving funds at its disposal;</p> <p>1.3 <u>Pre-requisite due diligence and compliance procedures</u> verified and formalised, and the FBG endowment capitalised with \$8,600,000 through direct investment by the project and its co-financiers;</p> <p>1.4 <u>FBG's assets management capacity is optimized</u> to reflect the regular oversight of investment performance, as well as an appropriate risk strategy and balanced diversification of its investments portfolio,</p>	GEF-TF	1,300,000	8,190,000

<sup>1</sup> In early 2012, charity status was secured for the FBG in the United Kingdom and a protocol was formalized with the Guinea-Bissau Government, recognizing its legal statute and granting the foundation tax exempt status within the country.

<sup>2</sup> Established terrestrial PAs and related biological corridors in Guinea Bissau: Boé NP (95,280 ha), Cacheu NP (88,615 ha), Cantanhez NP (106,000 ha), Cufada NP (89,000 ha), Dulombi NP (98,951 ha), Cheché Corridor (36,604 ha), Cutabande-Quebo Corridor (55, 003 ha), Salifo Corridor (56,162 ha).

		the PA System Financial Sustainability Scorecard (targets to be set during PPG <sup>3</sup> ).	ensuring the latter is socially and environmentally responsible (details to be defined by the FBG board);  1.5 <u>Comprehensive fundraising/ capitalisation strategy in place</u> involving FBG and other key stakeholders, and including <i>inter alia</i> (i) finely-tuned communications/ advocacy plans; (ii) annual donor meetings informed on progress and operational efficiencies of FBG; (iii) targeted in-depth assessments of potential revenue generation mechanisms (e. g. compensation schemes from mining and timber concessions, fines, tourism fees, REDD) and related enabling/ institutional needs.			
2. PA and buffer zone management in Cantanhez NP	TA and Inv.	<p>2.1 Collaborative cost-effective management of <u>Cantanhez NP</u> and related buffer zones and forest areas improves management effectiveness at least 50% over baseline levels as measured by the METT (baseline and target to be confirmed during PPG<sup>4</sup>);</p> <p>2.2 Improved management effectiveness reduces threats as measured by: (i) the reduction in the illegal utilisation of woody vegetation and deforestation rates; (ii) the recorded levels of poaching; (baselines and targets to be determined during PPG);</p> <p>2.3 Collectively this reduces the loss of critically threatened W-African forest habitats across c. 106,000 ha<sup>5</sup> of PAs and surrounding zones, and delivers improved protection to globally significant species and other key biodiversity resources in the forest belt biome including amongst others: Chimpanzee, West African Red Colobus, King Colobus, African Elephant and West African Manatee.</p> <p>2.4 Further indicators (including SMART indicators)</p>	<p>2.1 <u>Operational capacities of Cantanhez NP</u> consolidated to permit compliance with at least basic functions through (i) primary operational logistics and equipment; (ii) training programmes for IBAP staff (involving DGFF and other PA management council members) with special emphasis on PA planning and management, community engagement and conflict resolution techniques, forest management challenges and approaches; (iii) underpinning support to IBAP HQ.</p> <p>2.2 Strengthened <u>institutional capacity of DGFF and IBAP</u> for effective oversight of land use and threat reduction in PA buffer zones and related forest areas through (i) joint DGFF-IBAP planning and collaboration programming in priority high risk areas; (ii) joint DGFF-IBAP training programmes with emphasis on Environmental Impact Assessment (EIA), law enforcement, licensing and monitoring of economic activities in and around PAs, PA management challenges and approaches.</p> <p>2.3 <u>Local community involvement in and collaboration with PA and forest management improved by</u> (i) strengthening PA management council and related public participation and institutional arrangements for negotiating, implementing and monitoring management and collaborative agreements; (ii) training programme including conflict resolution mechanisms, and community surveillance and enforcement; (iii) the development of</p>	GEF-TF	894,694	2,900,000

<sup>3</sup> In 2007, the PA Financial Sustainability score produced for the World Bank-GEF project was 42 (21%).

<sup>4</sup> The most recent application of the METT for Cantanhez NP was conducted in 2009, yielding a total score of 49

<sup>5</sup> 21,352 ha conservation zone, 44,712 ha buffer zone, 39,702 ha development zone

	that also capture benefits to local communities will be developed during the PPG.	biodiversity-friendly economic activities.  2.4 <u>Management and business plans for Cantanhez NP and connected buffer zones and ecological corridors updated/produced</u> , allowing the coordinated identification, prioritisation of management activities and allocation of funds by IBAP, DGFF and other sectoral institutions with responsibilities for biodiversity conservation, land use planning and forestry.		
Subtotal			2,194,694	11,090,000
Project Management Cost (PMC)			109,735	520,000
Total Project Cost			<b>2,304,429</b>	<b>11,610,000</b>

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
National Government	Government of Guinea-Bissau	Grant	500,000
GEF Agency	UNDP	Grant	370,000 <sup>6</sup>
Other Multilateral Agency	World Bank	Grant	4,690,000
Bilateral Aid Agency	FFEM	Grant	1,300,000 <sup>7</sup>
Foundation	MAVA	Grant	2,050,000 <sup>8</sup>
Local Government	European Union	Grant	2,700,000 <sup>9</sup>
<b>Total Co-financing</b>			<b>11,610,000</b>

### D. TRUST FUND RESOURCES (\$) REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	Grant Amount (\$) (a)	Agency Fee (\$) (b) <sup>2</sup>	Total (\$) c=a+b
UNDP	GEF-TF	Biodiversity	Guinea-Bissau	1,421,187	135,013	1,556,200
UNDP	GEF-TF	Land degradation*	Guinea-Bissau	883,242	83,908	967,150
<b>Total Grant Resources</b>				<b>2,304,429</b>	<b>218,921</b>	<b>2,523,350</b>

\*The Government wishes to apply the STAR flexibility mechanism

### E. PROJECT PREPARATION GRANT (PPG)

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

PPG allowed by grant amount	Amount Requested (\$)	Agency Fee for PPG (\$)
(up to) \$100k for projects up to & including \$3 million	70,000	6,650

### PPG AMOUNT REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY FOR MFA:

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
GEF-TF	UNDP	Biodiversity	Guinea-Bissau	40,000	3,800	43,800
GEF-TF	UNDP	Land degradation*	Guinea-Bissau	30,000	2,850	32,850
<b>Total PPG Amount</b>				<b>70,000</b>	<b>6,650</b>	<b>76,650</b>

\*The Government wishes to apply the STAR flexibility mechanism

<sup>6</sup> An additional \$30,000 will be allocated to PPG. The \$370,000 and the PPG resources are new resources allocated to the project by UNDP Guinea-Bissau.

<sup>7</sup> This remains to be confirmed but there is an agreement in principle to look favourably at a request.

<sup>8</sup> This remains to be confirmed but there is an agreement in principle.

<sup>9</sup> This remains to be confirmed. During negotiations for the fisheries agreements in early 2012, both government and EU supported a contribution from the revenues to the FBG capital. However, since the 2012 coup no agreement has been in force. Once the political situation in the country improves and elections are held in 2013/2014, negotiations will likely resume.

## **PART II: PROJECT JUSTIFICATION**

### **A. PROJECT OVERVIEW**

#### **A.1. Project Description**

##### **The global environmental problem**

1. **Globally significant biodiversity:** Guinea-Bissau harbours globally significant biodiversity in two major biomes: the coastal and marine complex and the forest belt. The former is host to exceptional biodiversity, due to its landscape featuring the extensive interpenetration of terrestrial and marine/aquatic environments, including vast estuaries, a large archipelago rising from the continental shelf and seasonally flooded coastal plains. Guinea-Bissau's coastal and marine habitats are indeed among West African's richest in terms of biodiversity and one of the most productive remaining fisheries in the world. Key aquatic species of global importance include Large-tooth Sawfish (*Pristis perotteti* CR) and Common Sawfish (*Pristis pristis* CR), Goliath Grouper (*Epinephelus itajara* CR), Bottlenose Skate (*Rostroraja alba* EN), the West African Manatee (*Trichechus senegalensis* VU), a unique population of sea going hippopotamus (*Hippopotamus amphibius*) and five species of marine turtles (all globally threatened). The Green Turtle (*Chelonia mydas* EN) nesting site in the João Vieira & Poilão Marine Protected Area is recognized as the largest in West and Central Africa and the third largest in the Atlantic. The Bijagos Archipelago, classified as a Biosphere Reserve by UNESCO has recently been proposed also as a UNESCO World Heritage site. It is one of the foremost locations for migratory water birds in West Africa, and said to host 1% of the total world bird population during the winter. All of the country's coastal and marine PAs are identified as Important Bird Areas by Birdlife International. A total of 456 species of birds have been recorded in the country, including 9 globally threatened species (4 EN<sup>10</sup>, 5 VU<sup>11</sup>). The Cufada Lagoon National Park (NP) has been designated as a wetland site of international importance under the Ramsar Convention and several other potential sites in Guinea-Bissau are currently being assessed.

2. In the south and south-east, the continental portion of the country features the Forest Belt region that is equally important in terms of global and regional biodiversity. It is characterized by patches of dense forests and open forests, predominantly intertwined with woodland savannahs that are rich in globally significant plant and animal life and a refuge for many migratory species that move across the West-African savannahs. The Forest Belt contains or contained several endemic and rare and threatened species of birds, higher plants, reptiles and mammals, including African Wild Dog (*Lycaon pictus* EN), African Dwarf Crocodile (*Osteolaemus tetraspis* VU), Lion (*Panthera leo* VU), African Elephant (*Loxodonta africana* VU), large ungulates such as African Buffalo (*Syncerus caffer*), Hippopotamus (*Hyppopotamus amphibius* VU) and Eland (*Taurotragus derbianus*). Dozens of families of chimpanzees (*Pan troglodytes* EN) inhabit that area and are poorly studied. Other threatened primates include Sooty Mangabey (*Cercocebus atys* VU), West African Red Colobus (*Procolobus badius* EN) and King Colobus (*Colobus polykomos* VU). With habitat fragmentation and pressures on natural resources increasing throughout West Africa, areas such as the Forest Belt of Guinea-Bissau are rapidly becoming critical refuges for emblematic and threatened species in the region while providing important national and transnational biological corridors and migration routes for large mammals.

3. **Threats to Biodiversity:** This rich biodiversity is under increasing threat. In the coastal and marine areas these stem from subsistence activities such as itinerant agriculture, rice production, artisanal fishing and the extraction of fuel wood from forests and mangroves as well as the rapidly growing and weakly regulated industrial fishing sector. In the Forest Belt threats are also increasing and include practices such as shifting agriculture, subsistence hunting, charcoal manufacturing, indiscriminate felling of forest resources and the rapid expansion of cashew nut plantations. These practices, often associated with rural poverty, involve the unsustainable exploitation of soil, water and forest resources. The development index of Guinea-Bissau is one of the lowest in the world, with one of the highest maternal death rates in the world, a life expectancy at birth of only 49 years and considerable disparity in income distribution. The country's population was estimated in 2011 at 1.6 million, with an annual average growth rate of 2%. Agriculture generates 80% of employment and 90% of exports, primarily through cashew nuts. Although, the exploitation of non-renewable resources, such as bauxite, phosphate and petroleum may become important drivers of future economic growth, the country still has poor infrastructure and weak social

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<sup>10</sup> White-backed Vulture *Gyps africanus*, Rueppell's Vulture *Gyps rueppellii*, Hooded Vulture *Necrosyrtes monachus*, Egyptian Vulture *Neophron percnopterus*.

<sup>11</sup> Black Crowned-crane *Balearica pavonina*, Yellow-casqued Hornbill *Ceratogymna elata*, Timneh Parrot *Psittacus timneh*, Secretarybird *Sagittarius serpentarius*, White-headed Vulture *Trigonoceps occipitalis*.

indicators, and more than two-thirds of the population live under the poverty line. Natural resources thus form the basis of the livelihood strategies for the majority of the population. In terrestrial ecosystems, subsistence livelihoods have historically led to deforestation and land degradation and this is still one of the critical environmental problems confronting Guinea-Bissau. A time series analysis, derived from the use of remote sensing in selected portions of the Forest Belt, has documented that over a period of 17 years dense forest cover has decreased by an estimated 50% in the Boé area and 20% in the Dulombi area. Affected landscapes are subject to shifting cultivation, overgrazing, reduced ground water and surface water quantity, erosion, lowered soil fertility and ultimately the loss of biodiversity. The total forest area in the country, including mangrove ecosystems, open forests, sub-humid forests, natural palm forests and tree savannas amount to between 1.5 and 2 million ha, or between 44 and 56% of the country area – but these have been subjected to deforestation at a rate of 40,000-60,000 ha/yr.

4. Protected Areas in Guinea Bissau: The Government of Guinea-Bissau (GoGB) has made significant advances to address these threats by bringing under protection critical areas through a National Protected Areas System. However, the conservation status and associated investments in the coastal/marine biome and the terrestrial biome have been heterogeneous. First efforts were focused on setting-up and managing vulnerable marine and coastal PAs with the first national park established in 1997. Now 5 national parks and 1 marine area provide protection to 431,205 ha of valuable ecosystems and their species. In addition the Institute of Biodiversity and Protected Areas (IBAP) was created in 2004 with the explicit authority and responsibility to protect and manage Guinea-Bissau's biodiversity endowment through the National System of Protected Areas (SNAP). With the critical marine and coastal areas under increasing protection and institutional capacity within IBAP on the rise, attention then moved to the Forest Belt with the creation of the Cantanhez NP in 2008 in the south-east of the country, close to the international border with the Republic of Guinea (Conakry). This NP covers an area of 106,000 ha and comprises both coastal and forest areas. The process to establish the first purely terrestrial PAs in Guinea-Bissau has only recently been initiated through the on-going UNDP-GEF project supporting the consolidation of PAs in the Forest Belt (GEF ID 3575). This project is contributing to correct the skew in the representativeness and connectivity of the national PA system by supporting the establishment of two PAs (Boé NP and Dulombi NP) and three biological corridors (Tchetche, Cuntabane-Quebo and Salifo) in the Forest Belt. By doing so an additional 8.8% of the country will come under protective management bringing the total to 23.7% of the national territory (855,972 ha), which is a significant achievement in less than two decades.

5. Despite these efforts there is an urgent need for the consolidation of operations in the remaining terrestrial PAs, and associated buffer zones and ecological corridors which have so far been identified but left largely unprotected and susceptible to a variety of threats. This includes most notably Cantanhez NP, which contains the last vestiges of the great continuum of semi-humid forests which used to stretch across Guinea-Conakry, Sierra Leone and Liberia. Furthermore, despite the advances – particularly in the marine and coastal regions – significant gaps still remain in the institutional framework underlying the development and future management of the national PA system. The country is now seeking to further strengthen the PA system and its financial sustainability, to safeguard its biodiversity conservation achievements and enable operational efficiencies to reach the management levels needed for long-term threat containment in both the coastal/marine and terrestrial biomes.

6. Baseline protected area and forest use management system: In Guinea-Bissau, two key institutional players are responsible for the conservation and management of forest-related biodiversity. The Institute of Biodiversity and Protected Areas (IBAP) is attached institutionally to the State Secretariat for Environment and Tourism (SEAT) and has administrative, financial and patrimonial autonomy. Through support from the WB-GEF Coastal and Biodiversity Management Project (CBMP) and the ensuing WB-GEF Guinea-Bissau Biodiversity Conservation Trust Fund project which is now closing, IBAP was established and supported through legal, physical and capacity building programmes. The PA Framework Law and other existing legislation was amended to reflect IBAP's roles and responsibilities, the identification and establishment of IBAP's Board and the design of its institutional and governance structures. Internal administrative and financial operating procedures have been established, as well as the recruitment of qualified staff and the ongoing provision of operating costs. As a result IBAP has grown into a fully functioning institution, coordinating the day-to-day management of more than 450,000 ha of critical natural habitats – via a network of protected areas covering some 15% of the country.

7. The WB-GEF Guinea-Bissau Biodiversity Conservation Trust Fund project also supported the design and legal establishment of the BioGuinea Foundation (FBG). In late 2007 a national ad hoc working group, drawing on representatives from government, private sector, NGOs and civil society was set up, which laid the ground work for establishing this

independent Conservation Trust Fund which over the long term would provide sustainable financing for biodiversity conservation activities in Guinea Bissau. The FBG was officially registered in 2011 as a ‘private foundation for public utility’ under United Kingdom law – the legal registration of the Foundation as such an offshore private entity with public utility status was chosen to maximise its accountability and mitigate any risks arising from institutional or political changes. Also the FBG will be overseen by an independent and mixed Board of Directors (in which the Government will be represented but not have a majority). In early 2012, charity status was secured for the FBG in the UK and a protocol was formalized with the Guinea-Bissau Government, recognizing its legal statute and granting the foundation tax exempt status within the country. The overarching objective of the FBG is to manage endowment, sinking and revolving funds, with a view to securing stable and sustainable financing for the maintenance of the national PA system and the biodiversity it supports over the long term. The legal basis and governance structure of the foundation have been carefully designed to comply with the key recommendations identified by the GEF for the effective establishment of trust funds<sup>12</sup>. Further achievements by the WB-GEF projects entail the provision of relevant technical assistance to IBAP and other key players on the modus operandi of the charity. However, the WB-GEF project faced significant challenges linked to government changes in Guinea-Bissau and was therefore not able to fully deliver on various aspects originally expected under the project. This includes the fact that the FBG has not been capitalised to date. This is why the follow-up WB-IDA project was conceived to complete the operationalisation in tandem with the here-proposed UNDP-GEF project that would in addition leverage the initial FBG capital; therefore the missing operationalisation aspects are covered in the here-proposed project framework and will be financed largely by the WB-IDA project (and further co-financiers including UNDP and the EU). The missing items are reflected in the Outputs of Component 1, and include (i) the constituency and full operationalisation of the FBG Board and Executive Secretariat (the FBG management team is currently being recruited and will not be civil servants); (ii) the development and implementation of FBG management and fiduciary systems (incl. operational manual, procurement guidelines, etc.), and of transparent and internationally recognised auditing and reporting standards/protocols; (iii) the conduct of due diligence and verification of compliance procedures to prepare the capitalisation of the endowment fund; (iv) the development of a suitable future investment strategy for the FBG’s resources; (v) the development and implementation of robust comprehensive communications, business planning, fundraising and capitalisation strategies that also consider an array of potential revenue generation mechanisms.

8. A further institution is critically relevant to this project: the Directorate General for Forestry and Fauna (DGFF), which falls under the jurisdiction of the Ministry of Agriculture and Rural Development (MADR). The DGFF is the authority historically responsible for the management of the nation’s forests – including lands under communal forest regimes – as well as for wildlife management policies and hunting concessions, as detailed in the recently revised Forestry Law (Lei Florestal, Decree-Law No. 5/2011). It has direct responsibility for forest policies and the management of forest resources, and is specifically tasked with the issuance of forest concessions. The DGFF has a similar mandate to manage and enforce wildlife management policies as part of its oversight of game and hunting concessions, however outside of PAs. In this sense, there is no formal overlap of mandates between DGFF and IBAP, however, differing interpretations of the mandate and missing coordination between the two institutions have in some cases led to misaligned action, including significant incidences such as exploitation permits being issued by DGFF which were inconsistent with PA and community-based forest management goals defined by IBAP and other stakeholders.

### **Baseline projects and resources that will be committed from them**

9. Through IBAP approximately \$7,400,000 will be invested over the four year project life directly in biodiversity conservation in Guinea Bissau, based on an extrapolation of IBAP’s 2013 annual budget. This will provide resources for the overall operational costs of IBAP’s central office and the management of existing protected areas. The origin of these resources will be: (1) the first-ever annual budget allocations made by the national government (c. \$500,000 for IBAP salaries/operations; while to date all contributions consisted in allowing tax exemption for external donor grants); and (2) targeted investments by donor agencies and other partners (c. \$6,900,000); however, this extrapolation is highly unstable as it depends on donor contributions renewed in annual pledges (the flow of funds progressed from \$736,578 in 2007, to an anticipated \$1,860,866 in 2013 when the financing gap was estimated to be \$296,728 – 16%).

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<sup>12</sup> GEF evaluation of experience with conservation trust funds. GEF Council, Washington DC, 1998.

10. An estimated \$1,115,000 is being invested in Guinea Bissau by the EU-UNDP-WWF West African Marine Ecoregion Project (WAMER), which aims *inter alia* to improve governance and institutional capacity in the country's coastal and marine protected areas; this project however also entails specific support for fundraising and communication activities by FBG (see § 12 hereunder). In a similar fashion a new World Bank/IDA project will provide \$1,270,000 for the further consolidation and strengthening of capacity for the management of coastal and marine protected areas and biodiversity in Guinea Bissau, in addition to supporting the BioGuinea Foundation (see § 12 hereunder). The above-mentioned ongoing UNDP-GEF Forest Belt PA project is directly contributing \$1,700,000 (\$950,000 of GEF and \$760,000 of UNDP grants) to the creation and management of Dulombi and Boe NPs and three related corridors. While this project will end in 2016 and does not include Cantanhez NP (which also has been almost entirely excluded from marine and coastal PA/biodiversity projects), it is building experience within IBAP on the management of forest PAs and some lessons on forestry and agro-forestry, fire management and landscape zoning. The EU-funded MONTE project (budget \$3,100,000) will support the sustainable management of forest resources in Cacheu NP in the north-west, which could provide lessons on PA functions that are relevant for the effective management of terrestrial PAs; in doing so it will also work on systemic forest management issues at the national level that will immediately link to the here-proposed project. A further contribution to baseline investment is given by the MAVA/IUCN project promoting sustainable tourism in Guinea-Bissau with a focus on PAs – this project includes a small allocation of c. \$50,000 towards Cantanhez NP of its total budget of \$770,000. A further key baseline investment on which the present project can build, is work of the NGOs AD and FIAL in the Cantanhez area, which have engaged local communities in biodiversity conservation and livelihood activities (including small-scale investments in basic socio-economic infrastructure and productive activities linked to conservation activities), with at least \$550,000 of EU funding between 2010 and 2013 for AD; these activities are a promising basis but have not involved IBAP and must be upgraded to stem the mounting exploitation pressures in the PA and adjacent areas.

11. Over the four year period under consideration, the DGFF – the 2<sup>nd</sup> government executing agency of the here-proposed project – has an estimated budget of \$2,800,000 (for salaries, fuel and lubricants and training) of which an estimated 50% and 20% will be earmarked for operational and forest management costs in the Forest Belt region and the areas around Cantanhez NP, respectively. Enhanced coordination between DGFF and IBAP at the systemic level, and at the site-specific level piloted under the here-proposed project in Cantanhez NP, therefore provides important opportunities for: (1) reducing pressures on biodiversity assets inside and adjacent to PAs – through improved management of forest resources and wildlife (e.g. with regard to the issuance and enforcement of logging and hunting licenses/concessions); and (2) cost-efficiency.

12. With a view to increasing the financial sustainability of the national PA system, the above-mentioned WB/IDA and WAMER projects will begin operationalising the BioGuinea Foundation through the recruitment of key staff, the establishment of financial systems and the initiation of fund-raising activities; the present project will closely link with these two initiatives, and their related respective contributions of \$390,000 and \$300,000 will be critical co-finance for securing the institutional background against which capitalisation of the FBG can take place. These are the only anticipated dedicated contributions for increasing the financial sustainability of the national PA system. The resulting risk is that the significant gains accrued over the last decade would be reversed. In addition, the terrestrial portion of the PA system would continue to lag behind in terms of representativeness, connectivity and overall management effectiveness. The urgent expansion of the terrestrial PA estate would not progress further, leaving especially Cantanhez NP and associated buffer zones and ecological corridors unprotected and susceptible to a variety of threats. Finally, under the business as usual scenario, funds and efforts would not be sufficient to address current gaps in the institutional framework, particularly the emergence of a functional collaborative framework involving IBAP, DGFF and other key stakeholders aimed at enhancing the management of forest-related biodiversity in Guinea-Bissau.

13. In conclusion, the country is set to benefit from a significant project baseline directed at the management of biodiversity and the national PA system in Guinea-Bissau. However, under the business-as-usual scenario baseline scenario the country would remain almost exclusively reliant on such external project-based funding, which is generally unpredictable, insufficient and directed at particular sites or issues of donor interest – already some donors have expressed their hesitation to continue financing at the current level. Under the business-as-usual scenario, there are no concrete perspectives for leveraging capital into the FBG endowment that would surpass the minimum threshold required for it to become operational and effective, and there are no other plans to operationalise other more innovative revenue sources. Moreover, under the business-as-usual scenario important gaps would remain in PA management coverage and operational effectiveness (most especially in relation to Cantanhez NP).



## **Root causes and barriers that need to be addressed**

14. The long term solution is to have a well-funded Protected Area system that conserves Guinea Bissau's highest biodiversity value ecosystems through PAs that are effectively managed under nationally mandated standards to meet conservation goals in a cost effective manner. Despite the rapid advances of the last two decades in which Guinea-Bissau with the support of GEF and other donors has put in place the first building blocks towards a national PA system, the achievement of this long term solution is impeded by continuing financial and operational barriers as described below.

### *Barrier 1: Revenue generation constraints:*

15. Almost 100 % of PA funding in Guinea Bissau comes from external sources. Government funds are limited to tax exemption, which while useful for improving the cost-effectiveness of external interventions, do not provide ready cash needed to develop and manage the national network of PAs. A major advance has been made in setting up the FBG according to international standards. The FBG has been designed as a sustainable financing mechanism to shield the management of the national PA system from the chronic public budget shortages and reduce the reliance of the sector on unpredictable donor financing. To date, however, the endowment of the FBG has not been capitalised and PA management in Guinea-Bissau still relies almost exclusively on external project-based funding sources. Unless the foundation is rendered functional and urgently capitalized there is a real risk that conservation activities are eventually halted and that the significant gains accrued over the last decade end up being reversed. It has been estimated that an FBG endowment of \$15 to 20 million, with a 5% return, would be sufficient to sustainably finance the recurrent costs of the country's existing protected areas and biodiversity conservation efforts in perpetuity. The initial fundraising target for the FBG endowment was \$5,000,000, sufficient to guarantee the recurrent operating costs of at least two key PAs as well as of the FBG itself. However, no tangible results have so far been obtained or are likely to be obtained in the near future due to various issues associated with eligibility criteria and unmet matching provisions that the WB and other partners have encountered. Capitalisation has further been undermined by the initial lack of donor confidence in governance and operational capacity of the FBG. Resources will be made available for developing key operational issues, but it is essential that procedures are verified and formalised auditing and reporting protocols finalized, and that management arrangements are completed to increase confidence levels to catalyse capitalisation. Furthermore new approaches are needed to complete capitalisation over the longer term through alternative mechanisms rather than traditional donors. While first steps have been made via a national PA financing strategy that lays out the need for revenue generation and fee levels across PAs, these measures have yet to be implemented and the scope of analysis expanded.

### *Barrier 2 Incomplete coverage and operational deficiencies of PA management*

16. The above-indicated funding limitations are exacerbated by a still incomplete coverage of effective PA management by the government (IBAP), due to weak presence in selected areas and specific operational deficiencies. For instance, most of the PAs do not have business plans. Furthermore, procedures for expenditure reporting are weak and are not linked to conservation benefits with the result that even with increased resource allocations to sites these would not necessarily be commensurate with contributions to conservation goals. Management capacity is still low and most existing field-level personnel still lack the full complement of skills required for efficient PA management in a context of low funding levels while being faced with substantive communities within and around PA boundaries. Nor do they have the administrative and financial experience to manage the sparse resources or to link budgets to strategic goals. The absence of financial skills also limits access to non-budgetary funding opportunities.

17. Operational deficiencies are further compounded by a weak collaborative framework among institutions responsible for biodiversity conservation and forest management. IBAP manages biodiversity and the national PA system, as detailed in the recently revised Law on Protected Areas (Lei-Quadro das AP, Decree-Law No. 5a/2011). DGFF is responsible for the management of the nation's forests, including lands under communal forest regimes, wildlife management policies and hunting concessions, as detailed in the Forestry Law, also recently revised (Lei Florestal, Decree-Law No. 5/2011). This mandate thus covers key land uses and practices that are currently underpinning major pressures on PAs. The two institutions have so far had little scope for collaboration, particularly since IBAP has mostly concentrated its presence in the coastal regions of Guinea-Bissau. There have been significant incidences highlighting the differing approaches of the two institutions, such as exploitation permits being issued by DGFF which were inconsistent with PA and community-based



forest management goals defined by IBAP and other stakeholders. This restricts the reduction of threats at source and the subsequent reduction in threat mitigation costs and limits the potential of sharing costs across institutions. The duplication and overlap in the mandate of the two different government structures has been identified as a key issue to be addressed to achieve a more effective management and protection of forest-related biodiversity in Guinea-Bissau. Indeed the effective establishment and management of PAs in the continental Forest Belt region of the country requires the creation of a functional collaborative framework involving the two institutions, leading to a shared vision and the alignment of key policy objectives.

18. Most PAs in Guinea Bissau have significant human populations within or around their boundaries exerting mounting pressure on biodiversity resources and resulting in increased PA management costs. The potential for stakeholders near protected areas to contribute – in conjunction with government (IBAP) – to the effectiveness and cost-efficiency of PA management is not sufficiently harnessed. Although the national forestry policy and legal framework<sup>13</sup> allows for stakeholder participation through delegation of functions, co-management arrangements and advisory boards and councils respectively, local stakeholders have limited capacities to fulfil this foreseen role. Similarly, although there are policies that PA budgets should include funds for the livelihoods of communities living in and around the PA as part of threat reduction strategies, these have so far had limited application. Consequently, local stakeholders obtain few direct benefits from PAs, and therefore view them principally as potential sources of natural resources from which income can be derived through extraction.

### **Proposed alternative scenario, expected outcomes and components of the project, incremental cost reasoning and expected contributions from the baseline, the GEF-TF, and co-financing**

19. The GoGB is seeking GEF support to remove the above barriers. Building on the results of previous GEF interventions and coordinating with ongoing and other donor funded projects (see § 6-13 and section A.4), the project will pursue two interlinked approaches: (i) *increasing revenue generation for the PA system* by lifting barriers that impede full functioning of the FBG, achieving short-term endowment capitalisation targets together with project co-financiers and putting in place the foundations for the achievement of medium and long term targets; and (ii) *extending the coverage of effective PA management by IBAP to a critically threatened priority PA while developing new operational frameworks looking at enhanced efficiencies through the involvement of DGFF and local stakeholders*. This will be an important next step towards a well-funded Protected Area system that conserves Guinea Bissau's highest biodiversity value ecosystems through PAs that are effectively managed in a cost effective manner.

20. As part of the first approach, the project with dedicated co-finance from the World Bank/IDA and WAMER projects will lead to completion of management systems, of due diligence and compliance procedures triggering the direct capitalisation of the FBG: GEF project funding will initiate the capitalisation of the FBG endowment and thereby catalyse the long-awaited leveraging of funds from the other committed co-financiers as a first crucial step towards the development of financial sustainability for the national PA system. During the preparation of this PIF, negotiations for co-funding this capitalisation to the height of \$7,300,000 have far advanced, bringing the total capitalisation through the project to at least US\$ 8,600,000 if the US\$ 1,300,000 of GEF resources is added.

21. The second approach would pilot new operational efficiencies in a pilot site, by improving PA management capacity and effectiveness in Cantanhez NP. In parallel, the project will support the collaborative management of vital buffer zones and adjacent areas in close coordination with DGFF and other key stakeholders – including through links with a REDD project expected to generate revenue for forest/biodiversity conservation and local communities. This would also lead to strengthened institutions gradually reaching consensus on conservation approaches, including their social and economic dimension. Finally, systems and tools successfully demonstrated by the project in Cantanhez NP, especially regarding the management of forest biodiversity, will be generalised to support the ongoing and planned expansion of the forest PA estate in Guinea Bissau.

22. The Cantanhez NP will be targeted by this project for a number of reasons. The NP is critically important for the safeguard of the most important remnants of tall semi-humid forest in Guinea-Bissau occurring in 14 patches in the PA. It has therefore been identified by IBAP as the topmost priority for further strengthening the country's PA network, in line with the

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<sup>13</sup> Document de Politique de Développement Forestier. Version finale, 2010. República da Guiné-Bissau Ministério da Agricultura e Desenvolvimento Rural.

2007-2011 National Strategy for Protected Areas and Biodiversity Conservation (NSPAB). While the PA was legally declared in 2008, almost no financial resources have yet been mobilised for the government (IBAP) to intervene on the site, due to the systemic funding limitations affecting the national PA network. However, in view of past work through local NGOs (AD, FIAL, etc., see § 10), it is a potentially suitable demonstration site to develop and test a new model aimed at an efficient establishment of at least basic PA operations under the severe funding limitations prevailing in Guinea Bissau (while ensuring at least minimal levels of sustainability through the activation of the FBG endowment). The intervention is at the same time necessary to start consolidating dispersed activities under a structured management system and clearly defined goals. In addition, the World Bank (\$500,000 budget) has since 2007 worked in the area to assess the potential of its forests to qualify for REDD carbon funding. The validation process on behalf of the Voluntary Carbon Standard is almost concluded wherefore the here-proposed project can prepare the ground by supporting improved PA management in order to achieve the avoided deforestation targets. The REDD project – which is a unique pilot for the whole of Africa – can thus help catalyse the generation of carbon credits to be marketed, linking back to the issue of sustainable financing – a part of the expected revenues expected under the REDD project (altogether estimated to \$ 15 million over 10 years) will start financing on-the-ground forest management actions in Cantanhez NP, and another be channelled into the endowment capital of the FBG to leverage sustainable finance for the national PA system.

23. The PA features globally significant biodiversity and is listed as one of the critical 200 WWF Global Eco-regions. It contains a dynamic landscape of river flood-plains, mangroves, forests, savannah and agricultural fields, with a high prevalence of oil-palm trees (*Elaeis guineensis*). The dominant forest species are *Azelia africana* (VU), *Alstonia congensis*, *Antiaris africana*, *Ceiba pentandra*, *Dialium guineense*, *Ficus* spp. and *Parinari excelsa*. Notable mammal species include the West African Manatee (*Trichechus senegalensis* VU) recorded from the upper reaches of the Rio Cacine and Chimpanzee (*Pan troglodytes* EN); although little is yet known about the ecology of chimpanzees inhabiting the PA, recent studies have started to define trends in habitat use and estimate chimpanzee density in different zones<sup>14</sup>. The PA also contains several other primates including the West African Red Colobus (*Procolobus badius* EN), the King Colobus (*Colobus polykomos* VU) and the Guinea Baboon (*Papio papio* NT). Leopard (*Panthera pardus* NT) and African Elephant (*Loxodonta africana* VU) are reported to remain, at least on a seasonal basis. Estuarine areas along the Rio Cacine support considerable numbers of migratory shorebirds (especially waders) and islands in the river mouth are important for breeding water birds. Although there has been no comprehensive ornithological survey of the park, 160 species of birds in Guinea-Bissau are documented from the coastal and forest zones of Cantanhez NP<sup>15</sup>. With a human population estimated at around 25,000 residents living within the PA, pressure on biodiversity and forest resources in the PA and its periphery is inevitably high and mounting<sup>16</sup>. Encroachment through shifting cultivation is the main driver of deforestation, while hunting reduces the populations of larger mammals with the partial exception of primates<sup>17</sup>.

24. The overall project goal is thus to strengthen the financial and operational framework of the National Protected Area System. To achieve this, the project has two components which directly address the main barriers identified:

### ***Component 1: Strengthening the financial framework of the national PA system.***

25. This component will spearhead the capitalisation of the BioGuinea Foundation (FBG), which in early 2012 obtained charity status in the UK Kingdom and for which a protocol was formalized with the Guinea-Bissau Government. While the full capitalisation of the FBG endowment with \$20 million is realistically a long term process, the project is designed to make a fundamental contribution by kick-starting and catalysing this long-delayed endeavour, presently considered by all key stakeholders as the most critical element for the future of biodiversity conservation and PA management in Guinea-Bissau. By investing \$1,300,000 of GEF resources as initial capital, the intervention proposed under this component provides a unique opportunity to trigger the long-awaited leveraging of funds towards the FBG and its endowment. A critical mass of potential donors committed to the capitalization of the endowment fund has now been identified that would bring the FBG above the targeted minimum threshold of \$5,000,000: a total of \$8,600,000 will be injected into the FBG endowment over the

<sup>14</sup> Chimpanzee oil-palm use in southern Cantanhez N.P, Guinea-Bissau. Sousa J, Barata AV, Sousa C, Casanova CC, Vicente L. Am J Primatol. 2011,73(5):485-97.

<sup>15</sup> Dodman, T., Barlow, C., Sa, J. & Robertson, P. 2004. Zonas Importantes para as Aves na Guiné-Bissau/Important Bird Areas in Guinea-Bissau. Wetlands International, Dakar. 130 pp.

<sup>16</sup> The total population living within the Cantanhez NP was estimated in 2007 at 23,992 from six main ethnic groups: Nalus (32,4%); Balantas (26,1%); Mandingas (15,3%); Fulas (9,0%); Tandas (5,4%); Sussus (3,6%). Annual growth rate 1.6%. Source : Plano de gestão, PN de Cantanhez.

<sup>17</sup> Etude des impacts environnementaux du projet de création du Parc National de Cantanhez, rapport final provisoire BRL Ingénierie, Mars 2007.

course of the project. The allocation of the GEF and co-financing resources to the endowment capital and to the accompanying activities of Component 1, respectively, is as follows:

Source of funding	Component 1: Endowment capital	Component 1: Activities
GEF	\$1,300,000	
UNDP		\$100,000
FFEM <sup>18</sup>	\$1,300,000	
EU-Guinea-Bissau fisheries agreement <sup>19</sup>	\$1,000,000	
EU: WAMER Project		\$400,000
MAVA Foundation <sup>20</sup>	\$2,000,000	
World Bank: IDA Project		\$390,000
World Bank: avoided-carbon revenues generated through REDD work in Guinea-Bissau	\$3,000,000	
<b>Subtotals</b>	<b>\$8,600,000</b>	<b>\$890,000</b>
<b>Total Component 1</b>		<b>\$9,490,000</b>

26. At an average return of 5% on the capital (\$8,600,000) invested, the annual financial contribution towards the management of the Guinea-Bissau's PA estate is estimated to be around \$430,000. While the FBG administrative costs are covered under WB/IDA project until 2016, over the longer-term this generated revenue, after deduction of an estimated 20% for FBG administration purposes, would provide a sufficient initial flow of stable and sustainable financing equivalent to about 30% of the overall annual recurrent funding needs, reducing vulnerability from overdependence on donor funding. The project will also aim to leverage further FBG income over the project's duration, keeping the long-term endowment target of \$15 to 20 million in view. The resulting full operationalisation of the FBG will be a significant milestone for biodiversity conservation and PA management in Guinea-Bissau, while representing a model for the rest of the sub-region of what long-term and internationally collaborative efforts can achieve. In close coordination with other partners, activities under this component of the project would ensure that asset management is optimized in compliance with GEF best practices for trust funds. Investment guidelines will be developed to reflect a conservative risk strategy, the balanced diversification of FBG's investment portfolio, the competitive selection of professional asset managers and the regular oversight of investment performance in relation to standard benchmarks; the investment guidelines will equally provide clear instructions and rules on the type of investment that the endowment fund will make, ensuring these are socially and environmentally responsible. Transparent and internationally recognized auditing and reporting protocols will be implemented to monitor and evaluate FBG's achievements against time-bound targets and the effectiveness, efficiency and impact in the use of endowment, sinking and revolving funds at its disposal. On this basis, the project will play an active role in briefing and providing information to annual donor meetings on progress and operational efficiencies of the FBG and on the needs and opportunities for further aid programmes. This will be coupled with targeted assessments of alternative revenue generation mechanism's for Guinea-Bissau's PA system including further work on REDD revenues and compensation schemes such as mining and timber concessions, fines, tourism fees, etc.

27. The allocation of resources generated by the FBG endowment will be governed by the FBG Board and guided by Guinea-Bissau's national PA strategy. Detailed analyses will be undertaken of the predictability and sufficiency of revenue sources, and of the cost-effectiveness and efficiency in the use of available funding. This will be based on the assessment of capacity in the different PAs of the national network and the careful consolidation of site-specific data sets. Lessons learned from these experiences will assist in defining management and budgetary requirements for individual PAs in the national PA network. With support from the project, IBAP and the FBG will quantify their intended impacts on biodiversity conservation and sustainable use, develop performance indicators and simple M&E systems to measure progress and channel feedback into programme improvements and management decisions.

<sup>18</sup> This remains to be confirmed but there is an agreement in principle to look favourably at a request.

<sup>19</sup> This remains to be confirmed. During negotiations for the fisheries agreements in early 2012, both government and EU supported a contribution from the revenues to the FBG capital. However, since the 2012 coup no agreement has been in force. Once the political situation in the country improves and elections are held in 2013/2014, negotiations will likely resume.

<sup>20</sup> This remains to be confirmed but there is an agreement in principle.

## *Component 2: PA and buffer zone management in Cantanhez NP*

28. This component will provide basic management effectiveness to Cantanhez NP, thereby closing the topmost priority gap in the overall national PA system of Guinea Bissau. In doing so it will further improve the representativeness, connectivity and management capacity of the terrestrial portion of the Guinea-Bissau PA system. This will involve the piloting in the NP of a shared vision and training programmes between IBAP and DGFF, spearheading the alignment of policy objectives and the creation of a functional collaborative framework. Improved coordination between the two institutions will also be critically important to catalyse the engagement of local communities and other key stakeholders in the management of biodiversity and ecosystem services in PA buffer zones and adjacent areas, with the aim to reduce the pressures exerted by resource users on the PA and thereby rendering PA management more cost-effective. While addressing the main barriers identified, this component will focus on several related and parallel activity streams:

29. Cantanhez NP (106,000 ha) including its vital buffer zones (44,713 ha) will be made operational and reinforced to permit compliance at least with basic management functions. The headquarters of the PA will be supported through the establishment of functional office facilities and the provision of basic equipment and logistics, including communication and transport (vehicles, motorbikes, etc.). The project will facilitate the strengthening of management capacity of IBAP and DGFF personnel with responsibilities in public and community forest management and PA management, with a particular focus on Cantanhez NP and its periphery. Initial training needs assessments will be conducted to tailor the capacity building measures supported by the project to the specific skills required for different subjects and at different levels of the two institutions. It can be anticipated that several PA management, biodiversity conservation and forest management functions will be covered, such as (i) law enforcement, (ii) policing, (iii) biodiversity and forest surveying and monitoring, (iv) community engagement, (v) conflict resolution techniques and (vi) reporting. Given the high level of logging pressure currently experienced throughout the Forest Belt region, including such exerted from foreign companies, special emphasis will be placed on Environmental Impact Assessment (EIA) and the licensing and monitoring of related activities in and around PAs. In this respect, the participation of CAIA, the unit within the State Secretariat for Environment and Tourism (SEAT), mandated to ensure EIA functions within Guinea-Bissau, will be actively sought.

30. A strengthened and better aligned enabling environment involving IBAP, DGFF and other key stakeholders will be supported by the project in order to promote the effective management of viable buffer zones and adjacent areas. The effective collaboration of IBAP and DGFF will be critical in tackling the complex socioeconomic reality prevailing in and around Cantanhez NP; for example this should ensure that exploitation permits issued by DGFF are consistent with PA and community-based forest management goals defined by IBAP and other key stakeholders. Under this component, the project will also support the review of the existing management plan and develop a business plan for Cantanhez NP. The management plan for the site was established in 2008 for a 5 year period as part of the PA's declaration process<sup>21</sup>. The management plan is reaching the end of its period of validity and will be updated based on the careful reassessment of the situation on the ground in the different zones of the PA<sup>22</sup>. Within the prevailing climate of resource restriction, the project will facilitate the coordinated identification and prioritisation of management activities and allocation of funds by IBAP, DGFF and other sectoral institutions with responsibilities for biodiversity conservation, forestry and land use planning in Cantanhez NP and its periphery.

31. As indicated above, Cantanhez NP has in the past benefited from local-level action from resident communities living within and adjacent to the NP. This has involved local and national NGOs (incl. FIAL, AD, TINIGUENA, DIVUTEC) with support from international organisations and donors such as IUCN and the EU. Further engaging these and other relevant local communities and NGOs through public participation is hence essential to secure a sound entry of the project (i.e. PA management under the leadership of IBAP) in the region, also with a view on effective delivery and cost-efficiency. The project will also support the capacity of local communities and facilitate the consolidation of institutional arrangements (PA management councils, etc.) for negotiating, implementing and monitoring collaborative management agreements, including conflict resolution mechanisms, surveillance and enforcement. Innovative biodiversity-friendly economic activities involving local communities will also be developed and demonstrated in pilot sites as a way of improving income generation while promoting sustainable livelihoods with reduced impact on biodiversity resources and ecosystem services. Project delivery mechanisms will involve a blend of grants and incentives involving technical guidelines and partial commitments from local

<sup>21</sup> Plano de gestão, Parque Nacional de Cantanhez (2008-2013).

<sup>22</sup> Zoning of Cantanhez NP : Conservation zone: 21,352 ha; Buffer zone: 44,713 ha; Development Zone 39,703 ha.

actors to enhance sustainability, and target potential sectors so far identified including traditional fishing, bee-keeping, ecotourism, the sustainable use of medicinal plants, and the leveraging of REDD revenues expected to generate revenue for forest/biodiversity conservation and local communities. These and other options will be further assessed during the project preparation phase.

### **Global environmental benefits**

32. The project will generate important global biodiversity benefits. It will contribute to the long term financial sustainability of 855,972 ha of critical natural habitats via Guinea-Bissau’s national network of PAs, covering some 24% of the country. The extensive and highly productive mangrove ecosystems are critical contributors to the sub-region’s marine productivity, supporting globally endangered and threatened species and a variety of migratory birds (see § 1&2). The project pays special attention to the urgent operationalisation of a critical PA containing ecosystems such as woodland savannah, semi-dry tropical forest and especially the critically endangered primary tall sub-humid tropical forests. These ecosystems contain threatened and endangered species of global importance typical of the Guinea Savannah Forest Mosaic and play a critical role as biological corridors and migration routes for large mammals. Other global environmental benefits will derive from achieving strengthened management capacity coupled with financial sustainability at PA system level.

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

33. The project demonstrates for the first time in Guinea-Bissau the implementation of sustainable PA financing and its application to the under-represented terrestrial portion of the national network of PAs. The project’s strategic approach builds on the results from prior interventions in the country by strengthening the institutional framework and sustainable funding mechanism previously developed for the national PA system. The management capacity of IBAP PA staff will be reinforced, both at systemic and at site-level, to assist with the consolidation and management of terrestrial PAs, particularly in the Forest Belt region. The project will also support the BioGuinea Foundation (FBG), by engineering its initial capitalisation and setting in motion a process which secures over the long term the stable and sustainable financing for the maintenance of the national PA system and the biodiversity it supports.

34. Future biodiversity conservation interventions in Guinea-Bissau will be enabled and encouraged to set aside resources to be injected into IBAP and especially the FBG activated through this project. The financial sustainability of the innovations and achievements delivered by such interventions would be ensured from the onset. The long-term dividends from biodiversity conservation interventions in Guinea-Bissau would be strengthened and by engendering a potentially virtuous cycle, the possibility for their further up-scaling improved accordingly. This will represent a significant model for the rest of the sub-region of what long term and internationally collaborative efforts can achieve through coordinated planning and investment and as a basis for advocating the replication of the project approach beyond Guinea-Bissau.

35. The project moreover innovates where it will install better coordination as well as joint training and vision-building between IBAP and DGFF, through the site-specific work in Cantanhez NP and adjacent areas. This pilot is meant to locally reduce the pressures on the PA, enhance cost efficiency of PA management and more generally trigger a better conservation of forest biodiversity in the target area to be replicated across Guinea Bissau.

### **A.2. Stakeholder Engagement**

<b>Stakeholder</b>	<b>Indicative roles and responsibilities</b>
Institute for Biodiversity and Protected Areas in Guinea-Bissau (IBAP)	IBAP will be the project’s lead executing agency. IBAP is a semi-autonomous Government agency with the mandate to manage biodiversity and the national protected area network of Guinea-Bissau, as detailed in the recently revised Law on Protected Areas (Lei-Quadro des AP, Decree-Law No. 5a/2011). As such, IBAP will be responsible for overseeing the implementation of project activities in accordance with its work plan, procurement plan and agreed budget.
Directorate General for Forestry and Fauna (DGFF) of MADR	DGFF will be the second executing agency at national level. It will play an active role in the management of Cantanhez NP’s buffer zones and connected biological corridors and related community engagement activities. The effective collaboration of IBAP and the DGFF will be critical in tackling the complex socioeconomic reality prevailing in and around Cantanhez NP. The two institutions will need to coordinate closely for the identification and prioritisation of management activities and the allocation of funds for

Stakeholder	Indicative roles and responsibilities
	investments in biodiversity conservation, forestry and land use planning in Cantanhez NP and at the wider landscape level.
BioGuinea Foundation (FBG).	The FBG has been designed and set up as a sustainable financing mechanism to safeguard the management of the national PA system. With support from the WB/IDA and WAMER projects, the FBG will co-implement activities planned under Component 1 of the project. IBAP will nevertheless retain overall project implementation responsibility though FBG staff will work closely with their IBAP counterparts, thus building capacity and experience of the fledgling organization.
State Secretariat for Environment and Tourism (SEAT)	The Secretariat depends directly from the Prime Minister and has the specific mandate to coordinate environmental policies and ensure their mainstreaming in the wider decision-making processes. It hosts the Focal Point for the GEF, for Convention on Biodiversity (CBD) and the UN Framework Convention on Climate Change (UNFCCC). Of particular importance to the project is SEAT's Environmental Impact Assessment Cell (CAIA), mandated to ensure EIA functions within Guinea-Bissau. It is anticipated that CAIA will play a crucial role in improving the implementation of government EIA policies and the licensing and monitoring of activities such as logging in and around PAs.
Local Communities	Local communities will be important beneficiaries of all project interventions. Community institutions will participate directly in every level of planning and management, particularly in ecologically sensitive areas such as buffer zones and biological corridors. They will be involved in the negotiation, implementation and monitoring of collaborative management agreements and in the piloting of innovative biodiversity-friendly economic activities, promoting sustainable livelihoods with reduced impact on biodiversity resources and ecosystem services.
NGOs	Local NGOs active in Cantanhez NP and adjacent areas (AD, FIAL, TINIGUENA, DIVUTEC, etc.) have played and will continue to play a fundamental role in facilitating community engagement, building local capacities, mobilise community NP guards, and implementing livelihood activities including the demonstration of pilot biodiversity-friendly economic activities.

### **A.3 Risk Management**

Risks	Level	Mitigation
1. The capital invested in the FBG endowment and the revenue generated are diverted from their purpose, i.e. not used for the conservation of biodiversity and management of PAs	Low	The governance of the FBG and its setup as a UK charity guarantee institutional independence and accountability towards the donors over the long term. The FBG is set up in compliance with benchmark trust fund requirements (GEF, World Bank, UNDP).
2. Global economic and financial crisis leads to reduced funds from international donors, and causes consistently lower returns on the endowment over the long term	Low-Medium	The initial capitalisation of the FBG endowment fund with \$8,600,000 through the current project is one of the best mitigation responses to Guinea-Bissau's high vulnerability to unpredictable and declining donor funding. In addition the FBG will engage in more proactive promotion activities that involve some key players and institutions involved in the conservation of Guinea-Bissau's biodiversity (including IBAP, UNDP and others) to leverage further contributions; and the project will conduct an in depth analysis of financing mechanisms more generally that can be applied in the country to broaden the spectrum of income sources – for the endowment but also for sinking and revolving funds. Although interest rates and investment returns have largely been exceedingly low in recent years, historical data suggest that it is reasonable to assume an average 5% return on the FBG investments over the long term, which is the rate reflected in the proposal. Possible fluctuations in future returns will be taken into account in the design of the investment and grant making strategies.
3. Institutional agreements involving IBAP, DGFF and other key stakeholders do not function properly, undermining the effective governance and management of Cantanhez NP and of forests in its periphery.	High	This is a critical element of the project. An effective collaborative framework between the two lead institutions has not yet been put into place and tested, and misaligned approaches prevail. Hence, based on the precautionary principle, the risk is presently flagged as high. Great attention will be paid during the project preparation phase to coordinate closely with IBAP, DGFF and other key stakeholders at national, regional and local levels. Practical tools and formal protocols will be established to ensure the effective co-execution of the project by the two leading partner institutions. Joint training and capacity building are envisioned as well as the review of policy and legislative frameworks and of institutional

Risks	Level	Mitigation
		mandates, proposing amendments where appropriate and in the clear interest of improved PA management and forest biodiversity conservation.
4. The <u>impacts of large-scale enterprises</u> in sectors such as logging or mining reduce the viability for biodiversity conservation of Cantanhez NP and of connected buffer areas and biological corridors.	Medium	This risk is precisely why this project in Cantanhez NP is so critically important – and enhanced PA management and law enforcement in conjunction with already sensitised communities is the best response. Specific training and capacity building measures on Environmental Impact Assessment (EIA) and the licensing and monitoring of economic activities will target PA staff and personnel from IBAP and DGFF at regional and national levels. In addition, the participation of the national Environmental Impact Assessment Unit (CAIA), attached to the State Secretariat for Environment and Tourism (SEAT), will be actively sought during project preparation and throughout the implementation phase.
5. Political and institutional instability disrupts minimal governance conditions necessary for project implementation	Medium-High	Although new elections are expected before the end of December 2013, the political situation remains unstable and this may affect the enforcement of existing PAs. However, even if minor disruptions may occur and cannot be prevented, IBAP has effectively operated under similar conditions in the past wherefore the risk appears manageable.
6. Climate change could have a negative impact upon key biodiversity and ecosystems in Guinea-Bissau in general and in Cantanhez NP and adjacent areas in particular, undermining project achievements.	Low	Little specific information and projections relating to climate change impacts on biodiversity are available for Guinea-Bissau. Some of the trends that can reasonably be expected are related to increasing sea level and wave energy causing coastal-zone erosion and salt water intrusion, increased desertification and more frequent uncontrolled fires, and changes in ecological communities and ecosystem functionality. However the national PA system that the Government of Guinea-Bissau has established and whose management is assured through IBAP, besides covering an important portion of the country's territory, also makes ample provisions for ecological corridors between individual PAs that are expected to increase the resilience of the ecological systems and its constituent species. The extensive mangrove areas remaining in the country (and which are well covered in the PA system) mitigate the impact in terms of coastal erosion. In Cantanhez NP specifically, the PA management plan in its updated version will integrate climate change considerations in terms of adaptive management of biodiversity and natural resources in the PA and adjacent areas, to the best possible degree given knowledge constraints. Over the longer term, sustainable recurrent revenues from FBG will allow IBAP and its PA/biodiversity management partners to strengthen monitoring efforts, generating more information and allowing adaptation of management strategies in response to climate change induced trends.

#### **A.4. Coordination.**

36. Project design and implementation will build upon the achievements and investments of several closely related interventions and coordinate regularly with the following ongoing and planned projects. By investing in Cantanhez NP – a priority PA site in the Forest Belt region – the project will contribute to the process initiated by the UNDP-GEF project to consolidate the national PA system (GEF ID 3575) and correct the imbalance in the representativeness, connectivity and operational management capacity of the terrestrial component of Guinea-Bissau's national PA system. This ongoing project in turn provides a foundation by having improved systemic and institutional capacities and having demonstrated community sustainable approaches that could be replicated in Cantanhez NP. The project will also build on the results of the World Bank-GEF project that set up the BioGuinea Foundation while providing short term, stopgap financing for the basic operating costs of the PA network and IBAP, in the wait for more sustainable financing to arrive. In addition, the here-proposed project anticipates and will build on and coordinate closely with an World Bank-supported project assessing and preparing the forests of Cantanhez NP (and Cacheu NP) in relation to their eligibility for avoided-deforestation REDD revenues. Once validated, the project will generate tradable emission reductions creating a sustainable flow of revenue to local communities, PA management and the FBG, thereby leveraging long-term protection of forests and related biodiversity. The project will also coordinate closely with: (i) the EU-UNDP-WWF funded West African Marine Ecoregion project (WAMER) aiming, *inter alia*, to improve governance and institutional capacity in Guinea-Bissau's coastal and marine protected areas; (ii) the EU-funded project in Cacheu NP, which aims to support the sustainable management of forest resources; (iii) the MAVA/IUCN project promoting sustainable tourism in Guinea-Bissau with a focus on protected areas.



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

### **B.1. National strategies and plans or reports and assessments under relevant conventions.**

37. The project is consistent and fully in line with national plans, priorities and policies. The 2007-2011 National Strategy for Protected Areas and Biodiversity Conservation (NSPAB), under strategic objective N.1 for institutional strengthening, calls for the implementation of a sustainable financial mechanism supporting the PA system and the operationalisation of the BioGuinea Foundation. Under strategic objective N.2, the NSPAB calls for the expansion of the terrestrial PA system and the establishment *inter alia* of the Cantanhez NP. The project is also in line with the National Forestry Policy (2010), the Forestry Master Plan (2010), and the recently revised Forestry Law (Lei Florestal, Decree-Law No. 5/2011)<sup>23</sup>. Collectively, these texts set out a new vision for the preservation of forest resources in Guinea-Bissau, acknowledging the vital role of protected areas and the necessity of establishing a collaborative framework involving local communities and other key stakeholders such as IBAP; the Forestry Master Plan specifically indicated the needs to improve the institutional alignment and coordination between IBAP and DGFF – which the project proposes to pilot in Cantanhez NP with implications for the at the national level. Finally, the project is also consistent with the National Adaptation Plan of Action (NAPA 2007) which, based on the negative influence of climate variability, recognizes the need to enhance the sustainable management of ecosystem services as an important adaptation option.

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

38. The project is designed to strengthen the financial and operational framework of the national PA system in Guinea-Bissau and in doing so to contribute to its financial sustainability and management effectiveness. This is in line with the first Biodiversity Focal Area Objective (Improving Sustainability of Protected Area Systems). Component 1 of the project will contribute to BD Focal Area Outcome 1.2: Increased revenue for protected area systems to meet total expenditures required for management. This will be achieved by supporting the initial capitalisation of the BioGuinea Foundation which has been designed and set up in compliance with the key recommendations identified by the GEF for the effective establishment of trust funds – the latter having been achieved through prior interventions by a World Bank-GEF project. Component 2 of the project will contribute to BD Focal Area Outcome 1.1: Improved management effectiveness of existing and new protected areas. By operationalising and enhancing the management of Cantanhez NP and of connected buffer zones, the project will contribute to the expansion and improved management effectiveness of Guinea-Bissau's PA system.

39. The project will help Guinea-Bissau contribute to achieving the global Aichi Targets through national action, most importantly in relation to:

- Targets 5<sup>24</sup> and 12<sup>25</sup>, by reducing the rate of loss and degradation of natural habitats and forests in Guinea Bissau and thereby improving the conservation status of globally threatened species preventing their extinction: directly through the project intervention inside and adjacent to Cantanhez NP, and more generally by providing a sustainable flow of funding for biodiversity conservation and PA management in the country as a whole;
- Target 11<sup>26</sup>, by adding the long-gazetted Cantanhez NP to the cohort of effectively managed PAs in Guinea-Bissau;
- Target 20<sup>27</sup>, by providing a sustainable long-term flow of financial resources for biodiversity conservation and PA management covering at least 25% of the recurrent costs of managing the national PA system; this is a good start and key leverage for further increasing resource availability in the future / by 2020.

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<sup>23</sup> See Sec. 2.2, Forestry Master Plan (2010) and Sec. 5, Lei Florestal, No. 5/2011 for new vision for the preservation of forest resources; see Sec. 5.3.9 - 5.3.10 of National Forestry Policy (2010) for issues related to PAs and coordination with IBAP.

<sup>24</sup> By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced.

<sup>25</sup> By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained.

<sup>26</sup> By 2020, at least 17 per cent of terrestrial and inland water areas, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes.

<sup>27</sup> By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization, should increase substantially from the current levels. This target will be subject to changes contingent to resource needs assessments to be developed and reported by Parties.

- Target 7<sup>28</sup>, by promoting a more biodiversity-friendly management of forest resources in areas around Cantanhez NP and more generally, through a pilot enhancing coordination between IBAP and DGFF.
- Target 15<sup>29</sup>, by preparing the ground for REDD initiatives in Cantanhez NP and working towards the maintenance of its significant threatened forest carbon stock.

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


40. UNDP has been the initiator and is currently implementing the GEF funded project to consolidate the PA system in Guinea-Bissau’s Forest Belt (GEF ID 3575). The agency is thus uniquely placed to optimise coordination arrangements and develop effective synergies between these two GEF supported projects. In addition UNDP is committing significant co-funding to both projects – including \$400,000 to the here-proposed project and its preparation. UNDP also has important advantages, both globally and in the specific context of Guinea-Bissau. The global UNDP-GEF portfolio already includes a plethora of projects successfully supporting enhanced PA management effectiveness and improvements in the financial sustainability of PA systems. UNDP is also currently initiating its multi-donor Global Biodiversity Finance Initiative which will further provide cutting-edge input on financing mechanisms. Nationally, its development mandate and long-term presence in the field, enables UNDP to address the development/conservation nexus from a true vantage point. By playing a central facilitating role in bringing together government, civil society and other key stakeholders, UNDP will effectively support project implementation and contribute to the achievement of the underlying GEF Focal Area objective.

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

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [OFP endorsement letter](#)).

Name	Position	Ministry	Date
Ernesto Augusto Pereira, MSc	GEF Operational Focal Point	State Secretariat for Environment and Tourism	02 April 2013

**B. GEF AGENCY CERTIFICATION**

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.					
Agency Coordinator	Signature	Date	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP-GEF Officer-in-Charge and Deputy Executive Coordinator		April 12, 2013	Yves de Soye, Regional Technical Advisor, Ecosystems & Biodiversity	+421 2 59337 332; +421 911 360 250	<a href="mailto:yves.desoye@undp.org">yves.desoye@undp.org</a>

<sup>28</sup> By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity.

<sup>29</sup> By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification.

**ANNEX 1. MAP OF THE NATIONAL PROTECTED AREA SYSTEM OF GUINEA-BISSAU**

