

Document of
The World Bank

Report No:

GEF PROJECT BRIEF
ON A
PROPOSED GRANT FROM THE
GLOBAL ENVIRONMENT FACILITY TRUST FUND
IN THE AMOUNT OF USD 10 MILLION
TO THE
GOVERNMENT OF MOZAMBIQUE
FOR A
TRANSFRONTIER CONSERVATION AREAS AND TOURISM DEVELOPMENT
PROJECT
JULY 30, 2004

ACRONYMS

APDF	African Project Development Facility (IFC)
APL	Adaptable Program Lending
CAS	Country Assistance Strategy
CBNRM	Community-Based Natural Resource Management
CDS	<i>Centro para o Desenvolvimento Sustentavel</i> (Center for Sustainable Development)
CDS-ZC	Center for Sustainable Development - Coastal Zone
CITES	Convention on the International Trade in Endangered Species
CMBMP	Coastal and Marine Biodiversity Management Project
CPI	<i>Centro da Promoção dos Investimentos</i> (Center for the Investment Promotion)
CTF	Community Tourism Facility
GDP	Growth Domestic Product
DFID	Department for International Development
DINAGECA	<i>Direcção Nacional de Geographia e Cadastro</i> (National Directorate for Geography and Cadaster)
DINATUR	<i>Direcção Nacional do Turismo</i> (National Directorate for Tourism)
DINAPOT	National Directorate of Territorial Planning
DNAC	<i>Direcção Nacional das Áreas de Conservação</i> - National Directorate for Conservation Areas
DNAIA	National Directorate of Environmental Assessment
DNFFB	<i>Direcção Nacional de Florestas e Fauna Bravia</i> - National Directorate for Forest and Wildlife
DNGA	National Directorate for Environmental Management
ECDA	Elephant Coast Development Agency
GDP	Gross Domestic Product
GEF	Global Environment Facility
GEO	Global Environmental Objective
GIS	Geographical Information System
GLTFCA	Great Limpopo Transfrontier Conservation Area
GLTP	Great Limpopo Transfrontier Park
GOM	Government of Mozambique
ICR	Implementation Completion Report
IDA	International Development Association
IDP	Integrated Development Planning
IDPs	Integrated Development Plans
IFC	International Finance Corporation
INDER	Institute of Rural Development
INPF	National Institute of Physical Planning
IR	Intermediate Result
IUCN	World Conservation Union
KFW	<i>Kreditanstalt fur Wiederaufbau</i> (development agency of German Ministry for Cooperation)

LNP	Limpopo National Park
M&E	Monitoring and Evaluation
MADEP	Ministry of Agriculture and Rural Development
MICOA	Ministry of Environmental Coordination
MITUR	Ministry of Tourism
MP	Management Plan
NBSAP	National Biodiversity Strategy and Action Plan
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
NP	National Park
NR	National Reserve
OP	Operational Policy
ORAM:	Rural Association for Mutual Assistance
OUZIT	Okavango Upper-Zambezi International Tourism initiative
PA	Protected Area
PARPA	<i>Plano de ação para a redução da pobreza</i> - Mozambique's strategy for poverty reduction (PRSP)
PATI	Priority Area for Tourism Investments
PDF B	(GEF) Project Development Facility grant
PDO	Project Development Objective
PROTUSC	<i>Programa para o turismo sustentável e para a conservação</i> – sector wide program for sustainable tourism and conservation.
PRSP	Poverty Reduction Strategy Paper
RCSA	Regional Center for Southern Africa
SADC	Southern African Development Community
SDI	Spatial Development Initiative
SEA	Strategic Environmental Assessment
SEATIP	South Eastern Africa Tourism Investment Program (IFC)
SME	Small and Medium Sized Enterprise
SPDTM	Strategic Plan for Development of Tourism in Mozambique
STD	Sexually Transmitted Disease
TFCA	Transfrontier Conservation Area
TFCAPISP	Transfrontier Conservation Areas Pilot and Institutional Strengthening project
TFCATDP	Transfrontier Conservation Area Tourism Development project
UNDP	United Nation Development Program
USAID	United States Agency for International Development
WB	World Bank
WBG	The World Bank Group
WTO	World Tourism Organization
ZADP	Zambezia Agricultural Development Project
ZIMOZA	Zimbabwe/Mozambique/Zambia (TFCA)

MOZAMBIQUE
Transfrontier Conservation Areas and Tourism Development Project

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MOZAMBIQUE

TRANSFRONTIER CONSERVATION AREAS AND TOURISM DEVELOPMENT

GEF PROJECT BRIEF

AFRICA

AFTS1

Date: July 30, 2004 Country Director: Darius Mans Sector Manger: Richard Scobey Project ID: P071465 Lending Instrument: Specific Investment Loan	Team Leader: Agnes I. Kiss Sectors: Forestry (30%);General agriculture, fishing and forestry sector (60%);General industry and trade sector (10%) Themes: Biodiversity (P);Other environment and natural resources management (S);Environmental policies and institutions (S)
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Global Supplemental ID: P076809 Lending Instrument: Specific Investment Loan Focal Area: B-Biodiversity Supplement Fully Blended: No	Team Leader: Agnes I. Kiss Sectors: Forestry (30%);General agriculture, fishing and forestry sector (60%);General industry and trade sec sector (10%) Themes: Biodiversity (P);Other environment and natural resources management (S); Environmental policies and instituticns (S)
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Project Financing Data

Loan Credit Grant Guarantee Other:

For Loans/Credits/Others:

Total Bank financing (US\$m): 20.59

Financing Plan (US\$m)

Source	Local	Foreign	Total
BORROWER/RECIPIENT	3.40	0.00	3.40
GLOBAL ENVIRONMENT FACILITY	10.00	0.00	10.00
IDA	20.60*	0.00	20.59
Total:	0.00	0.00	33.99**

Borrower: Government of Mozambique

Responsible Agency: Ministry of Tourism

Project implementation period: 7 years

Expected effectiveness date: September 2005

Expected closing date: August, 2012

* Includes a \$ 599,000 Project Preparation Facility which will become part of the total IDA Credit

**GOM will also seek \$3 million from a PHRD Co-financing Grant, particularly to help cover Technical Assistance costs

GEF PROJECT BRIEF

MOZAMBIQUE TRANSFRONTIER CONSERVATION AREAS AND TOURISM DEVELOPMENT PROJECT

A. STRATEGIC CONTEXT AND RATIONALE

1. Country and sector issues

At the end of the conflict in 1992, Mozambique was listed as the poorest country in the world. Since then it has experienced a relatively high rate of growth (averaged 8.5 percent, and GDP per capita increased by 6 percent per year between 1995-2002). However, the benefits of this growth have been concentrated in Maputo and other urban areas. Rural areas, where 71 percent of Mozambicans live, continue to be affected by extreme poverty. The challenge for Mozambique is to continue to achieve high rates of economic growth while widening the distribution of the benefits.

Mozambique falls within the biodiversity-rich Zambebian biogeographic region, and contains a wide diversity of habitats including mountainous, woodland, wetland and coastal/marine ecosystems. Its 2,700 km of coastline is considered unique in the East African Marine Region in terms of the quality, diversity and species richness of its habitats. Many of the most important areas are on or very close to international frontiers and well-established conservation areas and tourism routes in neighboring countries. These large, relatively intact areas are important both for their biodiversity richness and because they contain topographic and ecological gradients and transition zones (e.g. between high and low elevation, and northern and southern plant distributions), and historical corridors for large scale animal movements (terrestrial and marine). Among the most significant are the Chimanimani massif and the Maputaland area and Lebombo mountain range (notable for their high levels of endemism), the Gaza area adjacent to South Africa's Kruger National Park. The Niassa Special Reserve is one of the largest protected miombo woodlands in the world and contains the highest concentration of wildlife in the country. These areas have been incorporated in Mozambique's first three Transfrontier Conservation Areas (TFCAs) (Chimanimani, Lubombo, Greater Limpopo, and the proposed Niassa-Cabo Delgado TFCA, respectively). The Government of Mozambique (GOM) also proposes to establish two more TFCAs: the Niassa-Cabo Delgado TFCA (linking terrestrial and marine conservation areas with others in Tanzania and possibly Malawi), and the Zimoza TFCA (linking a major community natural resource management area in northwest Mozambique with conservation areas in Zimbabwe and Zambia). These large natural areas represent important global biodiversity resources, as well as a valuable resource base for a sustainable tourism industry (see Table 1 and Technical Annex 9 for further details on the biodiversity values of the project areas).

Table 1 : Mozambique Transfrontier Conservation Areas

Name of TFCA: Total Surface Area (km ²)	Existing Formally Protected Areas in Mozambique portion/ km ²	Global Biodiversity Values*	Expected Targets (km ²)	
			TFCA ("interstitial" area) in Mozambique**	new formal P.A. in Mozambique
Great Limpopo: 84,868 in Mozambique: 52,868 <i>(plus: Zimbabwe: 9,000 RSA 23,000)</i>	LimpopoNP/ 10,000 Banhine NP/ 7000 Zinave NP 3700	Includes one of world's largest fully protected areas (Great Limpopo Transfrontier Park, - 35,000 km ²) and three additional National Parks (Mozambique's Zinave and Bannine, Zimbabwe's Gonarezou); Very high species diversity in several higher taxa, including rare, near endemic and endangered species; transboundary elephant migration routes	32,168	0
Lubombo: 4170 in Mozambique: 2550 <i>(plus: Swaziland: 900 RSA: 720)</i>	Maputo Special Reserve/ 700	Varied mosaic of numerous terrestrial, freshwater and coastal ecosystems; turtle nesting grounds; includes Maputaland Center of Plant Diversity; numerous endemic plants, reptiles, amphibians and mammals, transboundary fish and elephant migrations	950	900
Chimanimani: 7816 in Mozambique: 7500 <i>(plus: Zimbabwe: 316)</i>	Chimanimani National Reserve/ 7500	Includes Chimanimani massif, known for species richness and high levels of endemism (e.g. 1000 spp. vascular plants including 45 endemic to TFCA); endangered spp. (e.g. blue sparrow)	0	0

ZIMOZA: 31,833 in Mozambique: 20,666 <i>(plus: Zimbabwe: 7699 Zambia: 3468)</i>	None	Important transboundary riverine ecosystem with shared fish and wildlife resources requiring cooperative management; component of Great Rift Valley system	20,666	0
Niassa-Cabo Delgado: 67,000 in Mozambique 42,000 <i>(plus: Tanzania: 25,000)</i>	Niassa Special Reserve/ 15,000	One of Africa's largest remaining pristine natural areas; diverse ecosystems including mangroves, dunes, riverine, forest, Lake Niassa; heart of the 3.5 mill km ² Miombo Ecoregion (per WWF), and one of world's largest protected miombo woodlands; high species diversity and regional endemism; highest concentration of wildlife in Mozambique, and only location with viable populations of most large mammals, including large- tusked elephant (migrating between Moz. and Selous Reserve in Tanz.). Potential for eventual TFCA corridor from Lake Malawi to coast	17,000	10,000
TOTAL: 195,687	33,200		70,784	10,900

* See Annex 9 of Project Brief for additional details

** including areas which might become designated community conservation areas

TFCAs, as described in the Government of Mozambique's (GOM's) biodiversity and tourism strategies, are large, defined areas which include both core Protected Areas (PAs) and multiple-use ("interstitial"¹) areas where the primary management objective is to promote environmentally sustainable development compatible with the TFCA's conservation goals. The TFCA concept reflects the principles of the GOM's National Biodiversity Strategy and Action Plan (NBSAP), including the participation of local communities and other stakeholders and sustainable use of the natural resources by communities, particularly through sustainable tourism. At present, unsustainable use of biological resources (forests, wildlife, fish, etc.), and in some areas expansion of unsustainable land use practices (in appropriately sited or managed agriculture, mining, human settlement, tourism development, etc.), threaten the ecological integrity of the

¹ i.e., the non-protected areas within which the PAs are embedded

TFCAs, in large part because the resident populations have few other options and little capacity, authority or incentive to manage the resources sustainably.

Tourism is one of the world's fastest growing economic sectors, which is expected to reach \$2 trillion in global tourism receipts in 2020. Tourism arrivals in southern Africa totaled about 10.6 million in 2001, and are expected to reach over 30 million by 2020 (an average increase of 7.8 percent per year). Nature-based tourism (including coastal/marine and "beach-and-bush" packages), where southern Africa has strong a comparative advantage, is projected to be the fastest growing sub-sector over the next few decades. Overall, however, Africa's share remains quite small (less than 2% of global arrivals) although it has been increasing modestly in recent years. The industry is very competitive, and Africa's share of tourism investment and markets will increase substantially only if existing constraints of poor infrastructure, capacity and planning are addressed.

In Mozambique, tourism is starting from a low base, but arrivals increased by 10-15 % annually between 1995-2001, reaching 400,000 in 2001. Tourism is also now the third largest investment sector in the country². The GOM has taken a number of actions to promote this important economic sector, including creating a separate Ministry of Tourism in 2001, and adopting a Tourism Policy and Implementation Strategy (2003) and preparing a Strategic Plan for Tourism Development in Mozambique (2004-2008). The policy and strategic plan recognize that Mozambique's comparative advantage lies mainly in its varied and relatively pristine environment, together with its rich cultural heritage, as well as the potential to link with South Africa and other neighboring countries with established tourism destinations and markets. It also identifies tourism as a means to provide new sources of income in some of the poorest areas of the country, where agricultural potential is low, and particularly to attract investment to these areas. These factors among others have led the GOM to identify the five TFCAs as Priority Areas for Tourism Development (PATIs), in conjunction with maintaining their biodiversity and ecological values.

The GOM strategy recognizes that a cross-sectoral approach is needed to develop economically, environmentally and socially sound tourism. This includes integrating tourism needs into local and national the economic and physical planning processes and priorities, so that options for sustainable tourism development are not foreclosed by incompatible development that may generate short term returns for a small number of people, at the cost of longer term sustainability and wider economic impacts. The Strategic Plan therefore indicates that Integrated Development Planning (IDP) should be carried out in all the PATIs, to provide a guiding framework for development of the areas. The IDP process begins with and is a logical extension of Strategic Environmental Assessment (SEA), which has been identified by the Ministry of Environmental Coordination (MICOA) as the key to mainstreaming environmental sustainability issues in development, particularly at the Provincial, District and local level, as called for in the

² An economic and financial analysis, being undertaken as part of project preparation, will provide more specific, up-to-date data regarding current and potential levels of tourism activity and revenues in Mozambique

National Environmental Management Plan. MICOA has piloted SEAs and IDP activities in several coastal areas.

2. The TFCA Program

The proposed TFCATDP represents the second phase of a support program (the TFCA Program) for Mozambique, which is expected to last approximately 15 years. The long-term objectives of the TFCA Program are to conserve the biodiversity and natural ecosystems within the TFCAs, and to promote economic growth and development based on sustainable use of their natural resources by local communities, with a particular emphasis on ecotourism. While the TFCAs span national boundaries, this is a national program supporting the GOM's participation in international agreements and committees aimed at coordinating activities across the national borders, and on-the-ground activities in the portions of the TFCAs within Mozambique. It is complemented by an active TFCA program in South Africa, which is strongly supported by the Government and NGOs, and several smaller scale initiatives in Swaziland, Zambia and Zimbabwe.

The first phase of the program, supported by the GEF-financed Transfrontier Conservation Areas Pilot and Institutional Strengthening project (1998-2003) (TFCAPISP), was developed in the context of a growing interest in large scale (including transboundary) spatial development initiatives (SDI) within the southern African region. The aim was to stimulate private sector investment in underdeveloped areas by creating development nodes linked by transport corridors. The TFCA approach shared the SDI principles of transboundary linkages and cross-sectoral planning, but placed a stronger emphasis on environmental sustainability, ecosystem management and biodiversity conservation. The TFCAPISP focused on launching the TFCA concept, creating an enabling policy and institutional environment (particularly at the national and regional level), and providing a learning opportunity for all the stakeholders and actors. Its significant achievements included the establishment of three TFCAs (Limpopo, Chimanimani and Lubombo) through international agreements, policy and institutional development including the creation of a coordinating TFCA Unit within the Ministry of Tourism, and direct investments to strengthen the management of the core PAs within those three TFCAs. An international agreement for one additional TFCA (ZIMOZA) is in process, and a fifth potential TFCA (Niassa-Cabo Delgado) has been proposed but is in early stages of definition.

While these achievements were essential for providing an enabling context, at this time the TFCAs remain somewhat intangible on the ground, lacking boundaries, legal designation, and institutional structures and procedures for land use planning and management of natural resources³. Outside the core PAs, their ecological integrity and biodiversity value are threatened by unsustainable use of their natural resources (timber logging and fuelwood/charcoal collection, poaching, fishing, overgrazing, subsistence and commercial hunting), and by land use and development (e.g., agricultural expansion, mining, plantation forestry, human settlements, industrial development and tourism

³ Only the formal PAs within the TFCAs are legally designated, under the jurisdiction of the Department of Nature Conservation (DNAC)

development) which is in many cases ecologically inappropriate, economically inefficient, and/or carried out in environmentally unsustainable or socially inequitable ways. The granting of concessions and licenses for tourism, hunting or large scale agricultural or industrial development is largely *ad hoc* and often non-transparent, with little the benefit from these investments rarely reaching local communities.

The TFCATDP will support the second phase of the program, to implement the TFCA concept on the ground in the original 3 TFCAs as well as two additional areas (see Table 1). In keeping with the Government's decentralization policies and widely accepted principles for natural resource management, the focus for planning and implementation (and associated institutional development and capacity building), will now shift mainly to the provincial district and local levels. At the same time, national and regional stakeholders and priorities must continue to be included, in order to ensure that the larger scale ecological systems and linkages that underlie the TFCA concept are maintained.

The third phase of the TFCA program is expected to support the replication and scaling up of approaches and models developed and tested during the first two phases, and integration with other related regional tourism development initiatives. By the end of the program, it is expected that environmentally sustainable, socially beneficial tourism will be well established as a major economic activity and integrating force within the region, with Mozambique playing an important role and realizing substantial benefits.

3. Rationale for Bank involvement

The first phase TFCA project represented the first significant support for biodiversity conservation in the post-conflict era in Mozambique, and established the Bank as an important source of financial and technical assistance to the GOM for developing and implementing the TFCA concept. Several other donors and international non-governmental organizations (NGOs) are now supporting related activities (e.g. KfW and the NGO Peace Parks Foundation supporting establishment of the Greater Limpopo Transfrontier Park; The US Agency for International Development's (USAID) Transboundary Natural Resource Management initiative; African Wildlife Foundation support for community land demarcation and capacity building in Zinave and Banhine National Parks, etc. However, only the Bank/GEF program provides the broad coverage, horizontal and vertical integration, policy level engagement and long term commitment that are required to implement the TFCA approach effectively. The Bank's continued involvement also provides a much-needed link to IFC-supported activities such as the Small and Medium Grants program and the Southeast Africa Tourism Investment Program (SEATIP), which will be essential for facilitating the private sector investment and developing the regional tourism market necessary for community-based tourism to succeed.

4. Higher level objectives to which the project contributes

Mozambique's strategy for poverty reduction (PARPA⁴) for 2001-2005 highlights the need for promoting sustainable and environmentally sound economic development, and distributing benefits of growth to the poor and economically marginalized people and areas. The PARPA recognizes tourism as having the potential to provide employment to alleviate poverty in rural areas, by expanding demand for local goods and services. However, worldwide experience shows that not all tourism development is pro-poor. The TFCATD project incorporates numerous measures to ensure that local communities participate in and benefit tourism development, rather than being disenfranchised by it. The project also supports the Government's commitment to improve the business environment in order to stimulate private sector investments and economic growth.

The 2003 Country Assistance Strategy (CAS) for Mozambique stresses the need to prevent degradation of natural resources and promote sustainable development, through decentralization and local empowerment, improved governance, and improved capacity of the public sector to deliver services and support the private sector by creating an enabling environment for investment. Tourism is specifically cited as a sector with significant potential to create economic opportunities and reduce poverty. The CAS proposes World Bank Group (WBG) assistance for the government to implement its recently approved national framework for sustainable tourism and environmental management, including support for tourism development and biodiversity conservation in transfrontier areas, a sector-wide tourism support program (PROTUSC⁵), and a program to promote private sector tourism investment in southern Africa (SEATIP). It identifies specific areas for WBG support, including institutional strengthening (national and decentralized levels), strengthening and improving the regulatory framework to improve the business climate, and land demarcation and capacity building to increase community participation in tourism development and benefits.

The project falls under the Biodiversity Conservation focal area of GEF. Because of the variety of habitats within the TFCAs, the relevant GEF operational programs include: Semi-Arid Zone Ecosystems (OP#1); Coastal, Marine and Freshwater Ecosystems (OP#2), Forest Ecosystems (OP#3) and Mountain Ecosystems (OP#4). In accordance with these OPs, it supports conservation and in-situ protection by establishing and strengthening a system of conservation areas (including both the multiple-use TFCAs and their exclusive core PAs), and combines biodiversity and socio-economic goals through sustainable use of biodiversity resources. The project is also aligned with GEF Strategic Priority #1: Catalyzing Sustainability of Protected Areas. It will reduce existing pressure on the PAs and their biodiversity resources by increasing their economic value, creating incentives for local communities and decentralized authorities to help maintain them. It will also improve management of the PAs over the long term, both by building capacity within the public sector and by bringing in the private sector, both as partners in management and as investors for financial sustainability. Mozambique signed the Convention on Biological Diversity in 1992, and ratified it in 1995.

⁴ *Plano de ação para a redução da pobreza*

⁵ *Programa para o turismo sustentável e para a conservação*

As the TFCA Program is not a formal Adaptable Program Loan (APL), no specific targets were established to trigger the move from the first phase project to the second phase. However, sufficient progress was made and lessons learned from the pilot activities to justify moving into an implementation phase (see Section 4).

B. PROJECT DESCRIPTION

1. Lending Instrument

Full-sized GEF grant (\$10 million) fully blended with an IDA Credit (\$20.59 million)

2. Project development and global environment objectives and key indicators

Maintaining large, intact natural ecosystems and ecological linkages that span national borders is an important goal for biodiversity conservation in southern Africa. At the same time, GOM policies and objectives call for the rich natural resources of these areas to be used in a sustainable way to contribute to improving the livelihoods and economic development of communities living in these areas. The TFCA program contributes to these goals by supporting the establishment and management of multiple-use conservation areas (including core PAs) on the Mozambique side of five areas with significant transboundary biodiversity linkages. Environmentally sustainable tourism development has the potential to link the conservation and development objectives of the TFCAs by providing an economic alternative to unsustainable, destructive use of natural resources, as well as a direct economic incentive to maintain the natural ecosystems and their biodiversity. The **Development Objective** of this project (PDO) is to increase environmentally sustainable tourism investment and development, and local participation and incomes from tourism, in the five TFCAs. The project's **Global Environment Objective** (GEO) is to establish and manage a network of formal and informal core PAs (including appropriate buffer and support areas) within the TFCAs, in order to maintain and enhance globally significant biodiversity and ecological linkages.

The main mechanisms for achieving these objectives will be:

- (i) legal designation of TFCAs, including establishment of regulations, criteria, procedures and institutional structures for planning, management and development (including a provision for Integrated Development Planning as the guiding framework);
- (ii) the preparation and implementation of a locally-led Integrated Development Plan (IDPs) in each TFCA, to provide an environmentally sustainable framework for land use planning, natural resource management and development investment within the TFCAs;
- (iii) the development of environmentally sound and socially progressive nature tourism (emphasizing community/private sector partnership), and directly related economic activities, in areas with high tourism potential (as identified in the IDPs); and

- (iv) improving the effectiveness of the PA networks within the TFCAs by: (a) improving the management capacity of the Department of Nature Conservation (DNAC), (b) expanding or creating new formal PAs, and (c) supporting the establishment of community reserves and conservation areas (“informal PAs”) in key areas outside the formal PAs (e.g. corridors, dispersal areas, cultural sites, etc.)

Key indicators for the PDO are⁶:

- (i) increased tourism development in TFCAs by at least a factor of five (measured by numbers of tourist beds and occupancy rates);
- (ii) increased local employment and income from tourism and related enterprises by at least a factor of 10 (measured by numbers of people employed in, and proportions of household income derived from, tourism; and
- (iii) 100 percent of new tourism development in the TFCAs meeting high standards for environmental and social sustainability⁷, and involving community/private sector partnerships.

Key indicators for the GEO are:

- (i) improved condition and management of existing PAs within the Mozambique TFCAs (total area of 33,200 km²);
- (ii) increase in total area managed for biodiversity conservation within the TFCAs by at least 30 percent (approx.10,000 km²), including formal PAs (National Parks, National Reserves), informal PAs (community conservation areas, private reserves), and key linkages between them; and
- (iii) increase in populations and distributions of selected target species of animals and plants within the TFCAs by at least 50% of their potential intrinsic rate of increase in these habitats.

Table 1 (above) provides a breakdown of the area of existing PAs within the Mozambique portion of each TFCA (where biodiversity conservation and management would be improved); the proposed increase in area of formal PAs to be supported by the project; and the extent of the “interstitial” areas of the TFCAs, where the project will support the IDP process and the development of sustainable tourism and associated activities for sustainable natural resource management. While it is expected that new community conservation areas will also be established within these interstitial areas, the amount of this area cannot be estimated at this time as it will be determined through the participatory IDP process in each TFCA.

3. *Project components*

⁶ The ongoing financial and economic analysis study will provide specific baseline data and target figures.

⁷ certified as such, if an appropriate certification scheme can be identified

Component 1 : Strengthening Policy, Legal and Institutional Framework for TFCAs (\$3M) - IDA: \$2M ; GEF: \$1M

Building on the achievements of the first phase project, this component will further strengthen the enabling environment for implementation of TFCAs. It will enable the GOM to continue and improve regional collaboration for protection and management of unique transboundary resources, promote interagency collaboration and vertical linkages between central and decentralized government levels, and build the capacity of public sector institutions (particularly at Provincial and District level) and communities to manage biodiversity and natural resources, and to form productive partnerships with the private sector. Community land and natural resource ownership and use rights will also be addressed. This component focuses on policy, legal framework and institutional structures, while Components 3 and 4 address other aspects of institutional capacity building, such as capital investment, training and operational support. Specific activities to be supported will include:

- International collaboration at the political level and the technical level (developing international agreements and protocols);
- Development of a national biodiversity conservation policy, and updating PA legislation;
- development of regulations and procedures for awarding, regulating and monitoring tourism concessions in TFCAs, putting in place legal mechanisms for establishing community reserves and conservation areas; and
- Institutional analysis and restructuring of the National Directorate of Conservation Areas (DNAC) to improve its effectiveness, efficiency and financial sustainability (including partnership with communities, other government agencies and private sector)

Specific outputs supported by GEF will include: improved transboundary cooperation for managing TFCAs; new policy and legal instruments for formally establishing and managing TFCAs and for community participation in biodiversity conservation international coordination; and a more efficient and effective DNAC with the capacity to implement an ecosystem-based approach to conservation

Component 2 : Integrated Development Planning (\$3.2M) - IDA: \$3.2M; GEF \$0

This component will support the preparation of Integrated Development Plans (IDPs) for each of the five TFCAs, which will serve as the guiding framework for both conservation and development. The IDP process is a participatory, spatial planning approach which supports sustainable development in multi-use areas surrounding protected areas (named “interstitial areas”), and in the buffer zones of the Pas. It will provide a mechanism for airing and reconciling competing interests, and for promoting compatibility and synergy between conservation and development objectives. It also supports ecosystem management and the bioregional approach to biodiversity conservation. The Government’s Strategic Plan for Tourism Development calls for IDPs to be prepared for each Priority Area for Tourism Investment (PATI). The main outputs of the IDP process

are “macro-zoning” plans that identify priority areas for conservation, tourism development and other types of land and resources uses, followed by finer scale management planning within these zones. The macro and local plans will be used to identify priority sites and activities to be supported under Components 3 and 4. The general IDP approach will be tailored to the specific needs of each of the TFCAs, which are at different starting points (following the first phase project), and face different levels of development pressure and urgency for on-the-ground intervention. Because the IDP approach is relatively new and technically challenging, the first step will be to build the necessary individual and institutional capacity both for those who will coordinate and participate in the process. Ultimately IDPs are to be integrated into provincial, district and local development plans. Therefore, they represent an important mechanism for creating two-way linkages between national objectives and local priorities. While MICOA will coordinate the process and provide technical support, it is the local stakeholders and decision-makers (provincial and district administrations, community representatives) who will ultimately determine the outcome. Specific activities to be supported will include:

- Capacity building and skills development for the IDP process and (developing training materials, recruiting and training IDP Coordinators, identifying stakeholder representatives; awareness-raising and skills development for participants, etc.);
- Preparation of IDPs, with legal standing, in each of the five TFCAs (including data collection, Strategic Environmental Assessment, planning workshops; preparation of macro-zoning and local plans; formal adoption of the plans through an appropriate legal instrument; identification of investment priorities).

Component 3 : Community and Private Sector-Led Tourism Development (\$9.2M) - IDA: \$7.9M; GEF: \$1.3M

This component will promote and support development of sustainable tourism and directly related economic activities within the TFCAs. The emphasis is on enterprises that involve a business partnership between communities and private sector investors/operators (e.g.: joint ventures, community leasing site to tourism operator, community hiring operator to manage its property, etc.). Given the limited resources and the large geographic areas involved, the project will focus strategically on sites identified through the IDP process as having high potential for sustainable tourism development. The project aims to enhance and facilitate strong community/private sector partnerships by ensuring that each party makes a significant and complementary contribution to the enterprise. The two subcomponents reflect these objectives:

- 1) ***Support to communities for tourism development.***: Activities will include: community land demarcation and registration (to ensure that tourism development benefits communities rather than displacing them); land use planning in these areas, legal services; community mobilization and organization (e.g., developing representative and transparent legal entities to enter into contracts and manage

revenues); mechanisms to arbitrate and resolve contractual disputes; “tourism literacy” and specific skills training; and a Community Tourism Grant Facility to help communities enhance their attractiveness as business partners. The Grant Facility would be used mainly to help meet extra costs associated with tourism development inside TFCAs, such as biodiversity monitoring, ecological restoration, “extra-environmentally friendly” energy and waste disposal, etc.

This subcomponent would also provide a limited amount of support for other natural resource management activities that are necessary to achieve sustainable tourism objectives, such as community-based management of woodlands or woodlots to meet increased demand for fuelwood near tourism sites and along access roads, or sustainable agriculture or water systems to compensate for reduced access to water sources and other resources in tourism development areas. Recognizing that communities within TFCAs have many other livelihood and development needs, the project implementing agencies will encourage other parties to support broader based community-based natural resource management and local development activities, under the umbrella of the IDP.

- 2) ***Improving the environment for private sector tourism investment.*** Activities will include: development and implementation of improved procedures for land allocation (concessions) within TFCAs; rehabilitation or provision of priority infrastructure (a limited amount financed directly by the project; most through collaboration with other programs); awareness raising, technical assistance and training for the private sector (e.g. on ecological management and biodiversity conservation, and partnership with communities); and strengthening key agencies to work more proactively and positively with the private sector. The project will not provide financing for private investors directly, but it will offer technical assistance and other support to facilitate their access to sources such as the IFC Small and Medium Enterprise program. It will also provide indirect financial incentives through the Community Tourism Grants Facility, which will contribute to more attractive total financing packages for private sector/community joint ventures.

Specific outputs supported by GEF will include: accelerated and expanded land demarcation in priority community tourism areas (ensuring community rights in these areas); incorporation of biodiversity conservation and environmental management and restoration in local land use planning; community-based natural resource management initiatives (related to sustainable tourism objectives); strengthened capacity among local communities to engage in equitable and productive partnerships with private sector (including financial capacity, through the Community Tourism Grant Facility).

Component 4 : Biodiversity conservation and Protected Areas management (\$ 10.7M)
IDA: \$4.4 M; GEF: \$6.3 M

This component will support the identification, monitoring and protection of the most significant and vulnerable biodiversity assets within the five TFCAs, mainly through the establishment and management of a network of core protected areas (PAs). These will include both formal PAs (National Parks and Reserves) under the direct management of the DNAC, and informal PAs such as community conservation areas and (where appropriate) private reserves which are not used for tourism development. The Component will consist of three subcomponents:

1) ***Biodiversity surveys, inventories, monitoring and applied research:*** Technical and financial assistance will be provided to DNAC and other appropriate institutions to identify and monitor nationally and regionally important biodiversity assets and ecological linkages within the TFCAs, and identify priority sites and interventions for protecting them. Research on topics such as sustainability of biodiversity use, reducing human/wildlife conflicts and improved monitoring methods will directly support conservation and management needs.

2) ***Biodiversity conservation in formal Protected Areas:*** Following institutional restructuring (Component 1), DNAC will be provided with technical assistance, training, capital investment and operational support to enable it to develop and manage an effective network of core PAs within the TFCAs. This will include a significant increase (approximately 10,000 km², equal to ca. 30 percent) in the total area under conservation management, comprised of both formal PAs (National Parks and Reserves) under the direct management of the DNAC, and informal PAs such as community conservation areas and (where appropriate) private reserves. Although investments and operational support will be restricted to PAs within the five TFCAs, the capacity building provided under this project is expected to yield broader benefits across the entire organization. To make the most of the limited project resources, the priority will be on: (i) investments and recurrent costs that will have the greatest impact on maintaining and improving the global biodiversity values of these areas and improve DNAC's relationships and partnerships with local communities (particularly for GEF funds); and (ii) infrastructure and other investments and activities needed to stimulate and monitor/regulate tourism development and to enhance the long term sustainability of the conservation areas.

Specific activities to be supported include: preparation and updating of PA management plans for existing and proposed PAs; rehabilitation and development of priority infrastructure; procurement of goods and equipment for PA management; community liaison and extension work; training and other capacity building for protected area staff (e.g., law enforcement, management and business skills, research, community relations, HIV-AIDS awareness, etc.); technical assistance for specific needs (e.g. concession management, long term financing mechanisms, infrastructure design, etc.); logistical support for wildlife restocking; and incremental support for essential operating costs on a declining basis.

3) **Community-based conservation:** The project will provide assistance and incentives to local communities for conservation of high priority biodiversity assets on their own lands. Where nature-based tourism is unlikely to provide sufficient revenues and benefits to be an effective incentive (or in the interim, before substantial tourism benefits materialize), the project will provide assistance for selected development activities such as sustainable agriculture and improved social infrastructure. This assistance will be provided in exchange for concrete and lasting conservation actions and outcomes which are clearly identified and formalized in written agreements between DNAC and community representatives. These agreements will define the responsibilities of both parties and provide for joint monitoring and enforcement of actions and impacts. To the extent possible, community organizations will be responsible for ensuring the compliance of community members. Activities to be financed will include: technical assistance for developing and implementing land and resource management plans; setting harvesting quotas and restricting outsiders' access; support for developing enterprises based on sustainable use of abundant and resilient species; targeted natural resource management initiatives directly linked to needs or opportunities created by tourism development or conservation activities; and other economic or social development assistance linked to specific conservation agreements and actions.

Specific outputs supported by GEF will include: effective monitoring of ecological and socio-economic impacts of conservation and development activities in the TFCAs; increased investment in conservation-focused aspects of PA infrastructure and management; an expanded community-oriented conservation program involving and benefiting larger areas and numbers of communities, including strengthened capacity for this purpose both within DNAC and among communities .

Component 5 : Project Management, Communications, and Monitoring and Evaluation (\$3.4 M) - IDA : \$2.5M; GEF: \$0.9M

This component will strengthen the capacity of the TFCA Unit to coordinate TFCA program, and will support its related operating costs. This includes recruiting a few additional long-term staff for the Unit, including TFCA Coordinators based in the field in order to support the shifting of planning and implementation to the Provincial and local level. The component also includes:

- design and implementation of an M&E system to track and assess project implementation and impacts, and a system for adaptive management based on this information; and
- development and implementation of an information system and a communications strategy to ensure timely flow of accurate information among the implementing agencies, and to increase awareness and understanding about ecosystem management and TFCAs nationally, regionally and worldwide.

Specific outputs supported by GEF will include: effective monitoring of conservation impacts, with feedback of results to improve PA management and other relevant aspects of the project; development and implementation of a communication and dissemination strategy to increase interest and support for TFCAs at local and national level and to disseminate results and lessons worldwide.

4. Lessons learned and reflected in the project design

The project design has drawn upon experience and lessons learned during the first phase project (TFCA Pilot and Institutional Strengthening), as identified by the Implementation Completion Report (ICR) prepared in March 2004, and from many existing efforts in southern Africa and worldwide to achieve synergy between biodiversity conservation and economic development through community-oriented, nature-based tourism and other types of sustainable use of biodiversity.

Some important observations of the ICR relevant to the second phase project include:

- Component 1 (Institutional and Policy Development) was well designed and necessary to improve the policy and institutional environment for conservation. The subcomponent on private sector investment correctly identified the need to start by creating an enabling environment, but over-estimated the potential for such investment at the time;
- Component 2 (Habitat and Wildlife Management) was also well designed; however the needs for infrastructure rehabilitation far exceeded the resources available under the first project and requires follow-up in the second phase;
- Component 3 (Community Mobilization and Pilot Programs) did not adequately take into account the very poor infrastructure in the three TFCAs, which makes marketing of goods difficult, and the lack of experience of the GOM and local NGOs for implementing community-based natural resources management
- Component 4 (Monitoring and Evaluation) was adequately designed but poorly implemented (treated as low priority).

The ICR also identified a number of specific lessons that have been incorporated in the design of the second phase project:

- *Demarcating land for communities can be an effective way of establishing community rights over local natural resources in order to benefit from ecotourism, putting them in a much stronger bargaining position with private investors* (over 70,000 hectares were demarcated under the first, pilot phase; this needs to be continued and consolidated in the second phase);
- *Conservation and community development projects need to demonstrate clear linkages to economic objectives such as growth, income generation or poverty reduction* (the importance of tourism in this respect should have been more emphasized from the beginning, at the level of GOM and local communities).

- *Potential negative environmental and social impacts must be avoided through careful planning and regulation;*
- *Institutional development is a time consuming process that requires commitment from all stakeholders, and extensive capacity building (it took four years of implementation for institutional arrangements to reach their current form, and therefore for the project to function effectively);*
- *Sensitive issues such as communities living in future National Parks need to be dealt with up-front, with all stakeholders (the controversial “people in parks” issue did not arise in relation to the GEF-funded project, but has implications for the future);*
- *A trade-off may exist between the expedience and efficiency of delivering a project, and the inclusion and strengthening of provincial and district governments that is needed to improve sustainability (the first phase project developed the capacity of the park management units largely in isolation of local government)*
- *An advisor on private sector issues should be appointed early on, to deal with the challenge of creating an enabling environment for the private private sector (including the establishment of a realistic role for the private sector, and up-front demand side assessment);*
- *An M&E system must be in place at project effectiveness;*
- *Transparency in concessioning is important (donors must support GOM to ensure that communities are not marginalized, and that the true values of the land are attained through auctions or tenders)*

Other lessons derived from the first phase project and related experience include the need to:

- start with formal, high level political agreement (including Heads of State) to precede transboundary cooperation at the technical and ground level;
- maintain a clear focus on a core set of objectives and activities;
- set concrete, results-oriented indicators and targets, together with the flexibility to adjust these targets based on experience and changing circumstances;
- to establish a clear legal and institutional framework for TFCAs themselves, and for communities and development within them (e.g.: the legal designator of TFCAs; establishing the legal status and rights of communities inside PAs);
- balance policy, institutional development and planning aspects with support for visible activities and investments on the ground;
- put in place a structured, participatory, spatial planning process to develop a agreed-upon common framework for the many different actors and interests;
- place local tourism initiatives within a broader context of regional development of markets, routes, circuits, and destinations that will generate a critical volume of tourist flow;
- ensure that tourism development to be private sector-led and market-based (with feasibility studies, business plans, market development, etc.); and
- manage expectations regarding the total probably levels and timeframes for tourism development and associated financial and economic benefits to communities.

- 1) These lessons have been fully incorporated into the TFCATDP design. The economic benefits of tourism development, and its linkage with conservation, are placed squarely at the forefront, with strong support from all stakeholders. The IDPs which will be prepared as a first step address the issues of proper planning for tourism development, and will be carried out under the leadership of Provincial and District governments. Effective institutional and implementation capacity developed under the first phase project will be utilized, and built upon with a considerable investment in technical assistance, training and institutional reform.

Based on these lessons, the project has also been designed to focus on a manageable set of priority sites and activities, based on the core objective of stimulating sustainable tourism development. Institutional analyses being carried out during project preparation will clarify the overall institutional structure for implementation and the strengths and weaknesses of the different actors, in order to develop realistic targets and identify specific capacity building requirements. The project includes early interventions to alleviate the regulatory and capacity constraints and perverse incentives that are presently limiting private sector investment, while at the same time taking immediate measures to ensure that communities are recognized as valued partners in tourism development instead of being displaced by it. The project time frame has been extended to allow for the needed capacity building to precede activities such as the IDPs and community initiatives. Specific additions to existing technical and implementation capacity include long term advisors to facilitate private sector partnerships (including development of transparent and effective concessioning procedures at both national and decentralized levels), on-the-ground coordinators to support decentralized government bodies and NGOs, and an M&E coordinator.

The fact that TFCAs have been identified as priority tourism areas by GOM and in regional initiatives will help ensure both Government commitment (necessary to achieve effective cross-sectoral collaboration) and complementary regional and international support. The first phase project tried but failed to support a broad community-based natural resource management (CBNRM) program, due in part to a lack of implementation capacity and in part to poorly focused objectives and unrealistic expectations. The TFCATDP will adopt a more focused approach targeting only activities that directly support conservation and tourism objectives. It will also offer alternative types of incentives for communities to support conservation in areas which have high biodiversity value but low eco-tourism potential. Activities in the first 1-2 years of the project will emphasize policy and legal reform and institutional and individual capacity building, such as training IDP coordinators and preparing stakeholders to participate in the IDP process; mobilizing and organizing communities to be able to enter into business partnerships; strengthening basic tourism literacy and business skills at the community level; and restructuring DNAC to be more efficient and work more effectively with community, private sector and other partners. At the same time, the project will support the continuation of some ongoing activities on the ground within each of the TFCAs to maintain momentum and enthusiasm that have been built up during the first phase of the program.

The issue of people in parks is being addressed up front through a Process Framework (see Section on Critical Risks and Possible Controversial Issues, below and in the Project Brief). In view of these measures, the project is not expected to exceed the absorptive or implementation capacity of the institutions involved. It would be a greater risk to reduce the size of the project by excluding one or more of the five TFCAs, as they have all been recognized as potential growth areas for tourism and other economic use and face urgent threats of environmentally unsustainable and socially inequitable development unless an effective, participatory planning process is initiated soon (see Section 5: “*Alternatives considered and reasons for rejection*”).

5. Alternatives considered and reasons for rejection

The main alternatives considered were: (i) having no follow-up to the first phase TFCA project; (ii) a small follow-up project, covering only selected activities within the three TFCAs established under the first project; and (iii) a simple sectoral approach, such as a traditional conservation project to strengthen the protection and management of the core PAs, a conventional CBNRM program for the non-protected areas of the TFCAs, or a tourism sector support program.

The option of having no follow-up to the first phase project was rejected because the TFCA concept remains valid and important for national, regional and global objectives, and the groundwork that has been laid justifies continuation. The Bank acknowledged from the beginning that achieving these objectives would require a long term commitment, given the capacity limitations and other conditions in Mozambique and the inherent complexities of the TFCA model (e.g. cross-sectoral and trans-national collaboration; public/private partnership, decentralized management, community participation, etc.). Government commitment, judged to be weak at the beginning of the program, has grown substantially, and many elements of an enabling environment for TFCAs have been put in place. This commitment on the part of the Government needs to be supported and nurtured, and it would have the opposite effect if the WB and CEF discontinued support. The first phase project provided the initial impetus, generated high level political support and raised the profile of these areas both in Mozambique and worldwide. This included strengthening and supporting the Mozambican vision of multiple-use conservation areas, over the alternative model of exclusive transfrontier parks. The second phase is needed to translate this vision into a reality and ensure that these valuable areas achieve their potential. Finally, the 2003 CAS strongly emphasizes sustainable development and natural resource management. The TFCA program and the Coastal Zone project are the main pillars of this element in the Bank’s lending program.

The alternative of a smaller project, covering fewer TFCAs, was rejected because there are important and urgent reasons to include each of the five target areas. Each presents a unique set of opportunities and challenges for testing and refining the TFCA concept. The three TFCAs that were established under the first project are ready to move into an

implementation phase. This includes shifting responsibility and support for planning and implementation to the Provincial and District levels, supporting communities to establish joint ventures with private sector partners, and coordinating biodiversity conservation inside and outside PAs. The Zimoza TFCA, which is expected to be formally established within the next few months, provides an opportunity to create a model of transboundary cooperation and more effective community participation in the management of biodiversity and natural resources (fish, wildlife, water) that are essential to users on both sides of the border. The Niassa-Cabo Delgado TFCA is at an early conceptual stage. Some very important terrestrial and marine transboundary biodiversity assets and linkages have been identified, but the provisional boundaries and precise objectives of the proposed TFCA remain to be determined through a process of research and consultation. The project will begin by supporting this process, with the IDP process being launched at the appropriate time. At the same time, the local administration and communities need assistance to manage the strong pressures that are beginning to emerge for potentially damaging development in the area.

The option of a simpler, sectoral approach would not be consistent with the core principles and objectives of the TFCA model. The project has therefore been designed as a multi-sectoral operation. The inherent risk of the more complex approach is reduced by focusing on a limited set of objectives and activities, and by the fact that the lead agency (the TFCA Unit) has gained implementation experience through the first project and has a clear mandate and established mechanisms for coordinating the sectoral players within the TFCAs. The project is built around the IDP process, which will be becoming accepted as an instrument for achieving coordination and cooperation across sectors and among different stakeholders. Finally, the various implementing agencies will each be primarily responsible for implementing a component or sub-component which lies within their normal responsibilities.

C. IMPLEMENTATION

1. Partnership Arrangements

Partnership among different levels of government, communities and private sector is at the heart of the TFCATDP. Each of these partners will have particular responsibilities and contributions to make in the implementation and adaptive management of the project, and each will receive support to be able to fulfill these responsibilities effectively.

The project will be co-financed by IDA and GEF, with parallel financing by other partners. The IDA Credit and GEF Grant Agreement will each specify the activities and objectives to be financed, ensuring that the GEF funds are used to meet the incremental costs of achieving global biodiversity objectives. A number of other donors and partners are supporting programs and activities that complement the project (see Annex 2). This includes not only the usual multilateral and bilateral donors and international NGOs, but also private companies such as the *Sociedade de Gestao e Desenvolvimento da Reserva do Niassa*, which is operating the Niassa Partial Reserve under a contract with the GOM.

The TFCA program serves as a conceptual umbrella for these activities, with the TFCA Unit responsible for overall coordination. The project will collaborate closely with complementary initiatives such as IFC's SEATIP and the Small and Medium Sized Enterprise (SME) project which will provide a source of financing for companies interested in investing in tourism. For example, it is proposed that the Community Tourism Facility (CTF) be linked to the SME program, so that prospective community and private sector partners can apply together for a financing package including both a CTF grant and a SME loan.

The project also complements a number of Bank-financed and other initiatives which support TFCA objectives either directly or indirectly (see Annex 2). For example, Component 2 (Integrated Development Planning) will both draw upon and continue capacity building in MICOA that has been supported through WB and other programs over the past several years. Component 3 will contribute to modernizing and building the capacity of the Ministry of Tourism (MITUR), thus serving as a pilot and launching pad for a proposed IDA-financed tourism sector support program (PROTUSC) which is currently being identified. The project will also coordinate with several existing or proposed GEF-financed projects are supporting biodiversity conservation objectives at the regional level in southern Africa (e.g. the Regional Southern Africa Biodiversity Support Program (2000), the Africa Community outreach program for conservation and sustainable use of biological resources (1999); and a regional program for integrated management of dryland biodiversity through land rehabilitation in Mozambique/Zambia/Zimbabwe (PDF B approved July, 1999).

2. Institutional and implementation arrangements

During the first phase TFCA project, the Government established the TFCA Unit within MITUR to coordinate the management and administration of TFCAs, for both conservation and sustainable development. This institutional level commitment the GOM's recognition that multi-sectoral coordination in TFCAs is an integral and ongoing requirement. In this role, the TFCA Unit will continue serve as the lead implementing agency for the TFCATDP. Responsibility for implementation of the various components and sub-components is divided among several agencies, in accordance with their respective institutional mandates. The TFCA unit will enter into Memoranda of Understanding with these agencies, specifying implementation responsibilities and procedures, with a Project Implementation Manual providing the overall structure and framework. The Government has also established a Tourism Facilitation Committee to provide oversight, guidance and high level coordination for aspects relating to tourism policy and development.

Responsibility for implementation of **Component 1** (*Strengthening Policy and Institutional Framework for TFCA*) will rest with the TFCA Unit (for international collaboration aspects) and DNAC (for conservation policy and legislation, and DNAC institutional strengthening). DNAC will consult with relevant agencies such as the National Directorate of Flora and Fauna (DNFFB), the Ministry of Agriculture and Rural Development (MADER), MICOA, the Directorate of Water Affairs, and fisheries

authorities on developing the conservation policy and legislation. Details of specific implementation arrangements within DNAC will be developed following the institutional analysis being undertaken during project preparation.

MICOA, which pioneered the IDP approach in Mozambique under the CMBMP, will be the implementing agency for **Component 2**. The National Directorate of Territorial Planning (DINAPOT), the National Directorate for Environmental Management (DNGA), the Center for Sustainable Development-Coastal Zone (CDS-ZC), and the National Directorate of Environmental Assessment (DNAIA) (all under MICOA) will all have specific roles. Because MICOA does not have sufficient human resource capacity to lead IDPs in five new areas in addition to its existing responsibilities, the TFCA Unit will recruit IDP Coordinators and second them to MICOA for this purpose. The IDP Coordinators will be responsible for all aspects of the IDP process (as described in Technical Annex 4), working in close collaboration with the TFCA Regional Coordinators (see Component 5). Experienced MICOA staff (with short term TA as needed) will provide guidance and training and oversight. MICOA will work closely with the Provincial and District governments⁸, which have the primary responsibility for land use and development planning, and will also be responsible for ensuring that the resulting IDPs are integrated in regional and local economic development plans.

Several agencies will be involved with implementation of the various activities under **Component 3**, drawing upon the project (through the TFCA Unit) for technical assistance and training as needed. Based upon the IDPs, the Regional TFCA Coordinators will prepare annual work plans for each TFCA, which will identify specific activities and associated implementation responsibilities. For example, the National Directorate of Geography and Cadastre (DINAGECA) will receive support to improve its local databases and carry out field operations to accelerate the demarcation of community land in priority areas within the TFCAs. DNFFB will receive training and operational support to assist communities with land use planning outside PAs, and with CBNRM activities that are needed to achieve conservation and tourism objectives. The project will provide a long term technical advisor for the National Directorate of Tourism (DINATUR), with responsibility to strengthen overall planning and institutional development, particularly at the decentralized DINATUR offices, to improve the Ministry's capacity to work with community and private sector partners to promote tourism development. The DINATUR offices will also be responsible for ensuring that tourism planning and development is integrated with other sectoral agendas at the provincial, district and local levels. Local NGOs will be engaged, under the supervision of the TFCA Unit and DINATUR, for activities such as community mobilization, awareness raising skills training. It is proposed that the Community Tourism Grant Facility be established as a window within the IFC SME project (otherwise it will be managed on a contract basis under the oversight of the TFCA Unit).

DNAC will be the implementing agency for **Component 4** (Protected Areas Conservation and Management). This will complement DNFFB's responsibilities to

⁸ in particular, the Provincial Governors, District Administrators, and the Provincial Cabinet including Directors for Agriculture, for Tourism and for Environment

support sustainable land and natural resource management in the “interstitial” areas of the TFCAs (outside PAs). Institutional restructuring and strengthening of DNAC will include creation and strengthening of appropriate units to support activities such as surveys and monitoring, applied research, community-based conservation, managing concessions and other contracts with the private sector, and developing and maintaining tourism-related infrastructure. In order to improve coordination between DNAC and the TFCA Unit (which has an oversight responsibility for all of the TFCAs, including the PAs located within them), a consultative or liaison committee will be established for each TFCA. These committees will also include other key stakeholders, such as DNFFB (to facilitate synergies between the management of PA and interstitial areas), community representatives, NGOs or donors active in the area, etc.

The TFCA Unit will be the implementing agency for **Component 5** (Project Management, Communications and Monitoring and Evaluation). This includes overall project coordination and administration, procurement and financial accounting, work program coordination and reporting. Given the greater scope and complexity of the Phase 2 project, the Unit will be extended and strengthened both in terms of technical and operational capacity. Because the focus in the second phase is shifting increasingly to the Provincial and District levels and to activities on the ground, one important addition will be the recruitment of a field-based Regional TFCA Coordinator for each TFCA. Other additions will be a Project Administrator, an M&E specialist to develop and launch a practical, participatory M&E system, and an information and communications specialist to develop and coordinate a system to ensure timely flow of important information among implementing agencies and externally (through a multi-media communications strategy). The Tourism Development, M&E and Communications/Information specialists will be engaged full time for an initial period of two years, after which it will be decided whether it is useful to continue these positions, or whether their roles can be absorbed within the existing government structures.

3. Monitoring and evaluation of outcomes/results

An M&E plan is being developed during project preparation, and sufficient resources will be allocated in the project budget to implement it. The M&E plan will address both project implementation and impacts, and will identify key indicators, targets and responsibilities for data collection (see Annex 3, including the addendum on arrangements for results monitoring, for further details). For biodiversity conservation impacts, the M&E plan will focus on the increase of total priority areas brought under conservation management, and specific features of global biodiversity significance in each TFCA (see Table 1). As indicated in Annex 3, complex processes such as the IDPs will be broken down into stepwise indicators (e.g., recruitment and training of Coordinators, awareness raising, completion of SEAs, etc., through to incorporation of IDPs into local development plans). Baseline data, such as the number of tourists bed presently occupied, total areas protected for biodiversity conservation and identification and assessments of indicator species, (are being collected during project preparation, with data gaps to be filled, and targets to be refined, during the first year of the project. Final targets will reflect realistic assessments of the potential for growth and

improvement, based on prior research. For example, targets for increased tourism investment, development and employment will be based on the experience of countries which have successfully developed similar types of tourism attractions and on projections for growth in the regional market. Targets for increases in populations and distribution of indicator species will be based on research (existing, or to be undertaken in Year 1) indicating the intrinsic potential rate of increase and overall carrying capacity for each species within the types of habitats found in the TFCAs.

To ensure that M&E is carried out effectively and provides useful ongoing input for project implementation, a full-time M&E specialist will be placed within the TFCA Unit to develop and coordinate the implementation of the M&E plan. Collection and analysis of data on biodiversity impacts will be the primary responsibility of Provincial and District offices of DNAC (overall and inside PAs) and DNFFB (outside PAs), and will be carried out in collaboration with local Universities, NGOs and others engaged in conservation activities in the TFCA areas, including local communities. Collection and analysis of data on tourism development will be the responsibility of central and decentralized units of MITUR. The Project Administrator and the Head of the TFCA Unit will be responsible for ensuring that the results of the ongoing M&E are discussed with the implementing agencies and other stakeholders, are incorporated in the annual work plans and progress reports, and are used to support adaptive management and ongoing improvement of project implementation. In accordance with the recommendations of the ICR for the first phase project, an approved M&E plan will be a condition of project effectiveness. Implementation of the plan will be assessed by a specialist after the first year and during the Midterm Review, to enable corrective measures to be taken if needed.

4. Sustainability and replicability

Environmental and economic sustainability are the cornerstones of the project's objectives and design. Environmental sustainability will derive from the Integrated Development Planning process which is at the heart of the project, and which begins with a Strategic Environmental Assessment. In addition, the project will support both regulations and incentives (and the capacity to implement them), aimed at ensuring that tourism development within the TFCAs is environmentally and socially sound. The IDP approach also contributes to sustainability of the biodiversity conservation aspects of the project, because it stresses a multiple-use, landscape management approach that seeks to balance conservation and development objectives. The emphasis is on sustainable use of natural resources, rather than protection and exclusion (except within the core PAs), which is regarded as politically and practically unsustainable, given Mozambique's urgent need for economic development and poverty reduction.

Financial sustainability is based on the strong prospects for continued growth of the tourism sector in Mozambique, which has experienced a 10-15 percent annual increase between 1995-2001 (400,000 tourist arrivals in 2001), and in southern Africa overall (annual arrivals projected to increase at 7.8 percent annually over the next few years; reaching 30.5 million by 2020). Tourism is now the third largest sector for investments

in the country. The TFCAs have particularly high prospects because nature-based and sustainable coastal tourism are expected to be the largest growth area in the coming decades: 60 percent of South Africa's 6 million tourists now visit protected areas each year, producing revenues of US\$ 2.5 billion. This is reflected in GOM's tourism policy and strategic development (SPTDM), which emphasize development of sustainable tourism in natural areas. It specifically highlights the potential of the TFCAs as priority areas for tourism product and market development. A detailed economic and financial analysis, being carried out during project preparation, will provide specific baseline data and growth targets for tourism investment and development in the five TFCAs. The linkage between conservation and tourism-based development in these areas is further emphasized by the fact that the TFCA Unit and DNAC have been placed within the Ministry of Tourism. The GOM is strongly committed to tourism as a key sector for economic growth, and has designed the TFCATDP to be a core instrument for implementing the SPTDM, within the overall umbrella of its tourism sector development program (PROTUSC). This provides a strong basis for institutional sustainability of the project. (see Annex 1 for further details on the tourism sector in Mozambique).

The private sector-led approach under the project will also help to ensure economic and financial sustainability of the anticipated tourism development, as only viable enterprises will be attractive to private investors. Subsidies will only be provided to help meet the incremental costs of carrying out activities for biodiversity conservation and social empowerment and participation, and will be provided to the community partners rather than the investors. Investments within the PAs are also aimed at enhancing long term financial sustainability, by improving management efficiency and promoting revenue-earning through tourism development. The project will promote institutional sustainability and local ownership and empowerment, through capacity building and decentralized implementation. At the national level the project will support revision of the regulatory framework necessary for carrying out the TFCA program and the reorganization and strengthening of concerned institutions.

Replication Plan:

The TFCAs represent pilots for other "Priority Areas for Tourism Investment" (PATIs). Lessons learned and experience gained through the project will be applied to tourism development in the other areas, including the environmentally-based Integrated Development Plans, and mechanisms to encourage and facilitate private sector investment, private-community joint ventures and public-private. The IDPs, in particular, are expected to become the core instrument for land use and development planning, even to the extent of becoming legal instruments required as a prerequisite for public and private sector investment. It is expected that the Community Tourism Facility, once established and operational, will attract additional funding from other sources which will make it possible to expand its coverage beyond the project area. The policy, regulatory and institutional reforms achieved and the capacity built within the Ministry of Tourism and other sectoral agencies both nationally and at Provincial and District level, and within

decentralized administrations, will create a better environment for environmentally and socially sustainable tourism development on a national level, beyond the end of the project. Similarly, the new approaches to PA management introduced under the project (particularly the involvement of communities and private sector partners) are expected to be adopted in other PAs in the country as a result of both the demonstration effect of the project and institutional restructuring and capacity building. Many elements of the project are also replicable in southern Africa and elsewhere. This includes administrative and technical mechanisms for biodiversity conservation through ecosystem management and transboundary natural resource management; the IDP as an instrument for decision making and planning at the local level and for integrating local and broader objectives and interests; and the promotion of promoting market-driven, environmentally sustainable tourism through community/private sector partnerships.

Valuable lessons (on transboundary conservation, IDP and ecosystem management, community/private sector partnership, etc.) that emerge from the project and from the overall TFCA program overall, will also be disseminated regionally and world wide through the communications strategy (Component 5), which will include a website and other outreach activities. A full time information and communications specialist will be placed in the TFCA Unit for this purpose

5. Critical risks and possible controversial aspects

Risks	Risk Mitigation Measures	Risk Rating with Mitigation
To project development objective		
Tourism development might displace local people rather than involving and benefiting them	Project includes measures to prevent displacement and impoverishment of local people, including using the participatory IDP process to identify and support local priorities, demarcation and registration of community land as a prerequisite to bringing in external investment, and support and incentives for equitable community/private sector partnerships.	M M
Tourism development, if not well planned and regulated can cause environmental damage	The integrated development planning process is based on strategic environmental assessment; also, project will strengthen planning and	

	regulatory capacity at national and decentralized levels	
To component results		
Insufficient Government ownership or political support for reform agenda	Project supports tourism development, which GOM has identified as a primary sector for economic growth; project has been explicitly designed to support Government's own tourism policy, strategy and action plan; also support decentralization policy which has strong political commitment	N
Insufficient capacity to carry out Integrated Development Planning process and other innovative activities	Project will draw upon pilots already underway (coastal zone), and will provide substantial up-front training and capacity building prior to launching IDP process on the ground, as well as short and long term TA.	S
Private sector response to policy reforms and incentives provided through the project is less than expected, resulting in low levels of investment and/or lack of private sector/community partnerships	Close consultation with private sector during project preparation and implementation, to identify the main obstacles from their perspective (e.g. basic infrastructure, lack of transparency in licensing and regulation, capacity constraints to partnership with communities, etc.); Community Grant Facility to enhance communities' attractiveness as partners	M
Lack of technical and financial capacity on the part of DNAC to adopt new approaches (e.g. community and private sector partnerships); improvements achieved under the project are not sustained due to financial and other constraints	Basic restructuring of DNAC to support institutional and policy reforms; direct support and incentives to encourage partnerships; measures to increase revenue generation within and around PAs	M
Complexity of multi-sectoral approach may cause delays in implementation	Existing TFCA unit has project implementation experience and established mechanisms for inter-sectoral coordination; emphasis on implementation at decentralized/local levels where there is typically better cross-sectoral coordination	M

The controversial issue of the status and rights of people currently residing inside vulnerable core PAs will be addressed in a Resettlement Policy Framework and a Resettlement Process Framework that are being prepared as part of project preparation,

and in a letter of sectoral policy from the Government, prior to project appraisal. The Government has demonstrated its interest in finding positive approaches to the problem. For example, in ongoing consultations with communities living inside the recently created the Limpopo National Park, one resolution being discussed is for residents to be assisted to resettle outside the park on a voluntary basis, while retaining rights to their traditional land inside the park and thus participating in the benefits of park development.

The IDP process will provide a mechanism to promote coordination among different stakeholders and interests, and will focus planning and implementation at the ground level, where cross-sectoral coordination is typically better. The project will strengthen the capacity of the various implementing agencies and partners to perform within their existing mandates and spheres of responsibility, rather than introducing entirely new areas of activity (e.g., the Ministry of Environmental Coordination (MICOA) for SEA and the IDP process; the Ministry of Tourism (MITUR) for facilitating tourism investment and development, DNAC for biodiversity conservation and management of PAs; and the National Directorate for Flora and Fauna (DNFFB) for land and natural resource management outside PAs). Lessons learned from the first phase project have also been used to reduce implementation risks.

6. Credit conditions and covenants

There are no anticipated non-standard conditions for Board presentation or effectiveness. Legal covenants: to be determined.

D. APPRAISAL SUMMARY

TO BE COMPLETED (Project Appraisal scheduled for September, 2004)

Technical Annex 1: Country and Sector or Program Background

Economic Development in Mozambique

At the end of the conflict in 1992, Mozambique was listed as the poorest country in the world. The country then experienced a relatively high rate of economic growth, averaging 8.5% annually (annual GDP per capita growth averaging 6%) between 1995 and 2002. The benefits of this growth have been mainly concentrated in and around Maputo and some other urban areas. Rural areas, where most Mozambicans live (71%), continue to be affected by extreme poverty. The key challenge that Mozambique faces is to maintain high levels of growth while distributing the benefits more evenly to the economically marginalized people and areas of the country.

Mozambique's strategy for poverty reduction (PARPA⁹) for 2001-2005 identifies the need for promoting sustainable and environmentally sound economic development, and flags the necessity to distribute benefits to the poor. The PARPA recognizes tourism as having the potential to provide employment to help alleviate poverty in rural areas. Tourism creates a high level of employment per dollar of investment and expands the demand for other local goods and services, creating opportunities for new sources of income for rural communities. Another important element of the Government of Mozambique's (GOM) strategy is to improve the business environment in the country in order to stimulate private sector investments and economic growth.

The 2003 Country Assistance Strategy (CAS) for Mozambique also recognizes the importance of tourism development for Mozambique, with significant potential to bring economic opportunities and reduce poverty. The CAS therefore includes support by the World Bank Group (WBG) to assist the government to implement its recently approved national framework for sustainable tourism and environmental management. An important element of this framework is tourism development and biodiversity conservation in transfrontier areas (neighboring with South Africa, Zimbabwe, Swaziland, and Malawi), which is supported by the ongoing Transfrontier Conservation Areas (TFCA) program. It is proposed that the TFCA approach will be complemented by a sector-wide support program for tourism (PROTUSC¹⁰), and a program to promote private sector investment in tourism (IFC's SEATIP¹¹). The CAS also stresses the need to prevent degradation of natural resources and promote sustainable development in Mozambique. Key elements in achieving these goals include decentralization and local empowerment, improved governance, increased public sector capacity to deliver services, and support for the private sector. Therefore, the WBG will support institutional development and capacity building at both national and decentralized levels, strengthening of policy and regulatory frameworks, and capacity building and other mechanisms to ensure that communities participate in and benefit from natural resource

⁹ *Plano de ação para a redução da pobreza*

¹⁰ *Programa para o turismo sustentável e para a conservação*

¹¹ South East Africa Tourism Investment Program

management. Specific reference is made to territorial zoning, spatial planning, and land-titling, and facilitating land demarcation for communities prior to awarding of development concessions to private sector for tourism or other activities). Finally, the CAS identifies the need to improve the business climate and create an enabling environment for private sector investments in tourism and other enterprises, by increasing transparency and addressing regulatory and other barriers.

The GOM has demonstrated its commitment to environmentally sustainable development by creating a set of updated policies and strategies for improving environmental and natural resource management, biodiversity conservation and sustainable tourism. Mozambican laws for land, environment, forestry and wildlife provide a good framework for both conservation and sustainable use and for greater equity and local community participation. However, government capacity to implement its policies, legislation and regulations remains inadequate.

Biodiversity Conservation in Mozambique, and the Importance of Transfrontier Conservation Areas

Mozambique lies within the Zambebian biogeographic region, a zone recognized for its remarkably high biodiversity, including 22 distinct habitats. Mozambique itself is characterized by a wide diversity of ecosystems including mountainous, woodland, wetland and coastal/marine. The country's extensive coastline (2,700 km) is considered unique in the East African marine region in terms of the quality, diversity and species richness of its habitats. These natural assets are globally important from a biodiversity perspective and are valuable resources through which Mozambique can develop a sustainable tourism industry.

Biodiversity rich areas in Mozambique are currently under threat resulting from poorly managed and unsustainable use of their natural resources (timber logging, poaching, fishing, overgrazing, subsistence and commercial hunting, etc.), and from environmentally unsustainable development (including agriculture expansion, industrial development, mining, plantation forestry, human settlements, and poorly planned tourism development etc.). While local populations in rural areas (particularly where agricultural productivity is low) are very dependent on biodiversity and natural resources to fulfill their daily survival needs and to provide income, acute threats often arise as a result of unplanned or unsuitable commercial exploitation or development. There is a lack of appropriate institutional structures, capacity and incentives for planning and management of land and natural resource use, including biodiversity conservation. Lack of transparency and a largely *ad hoc* approach to the granting of large-scale agriculture, tourism, hunting and other natural resource-related concessions threaten the sustainability of development in these areas. The benefits of investments associated with these concessions are largely being captured by narrow interests, and local communities are often excluded from decision-making and gaining little benefits. However, the GOM fully recognizes these problems and is seeking ways of addressing them through better planning and the development of environmentally sound economic alternatives.

Much of the richest and best preserved biodiversity and natural habitat in Mozambique (and southern Africa in general) is located in areas adjacent to national borders, in many cases contiguous with terrestrial and/or marine protected areas and well established nature tourism sites in the neighboring countries. Preservation of habitats and ecological linkages, such as migration corridors and watercourses, on both sides of the borders provides a unique opportunity to protect large, intact ecosystems that span a wide range of altitudes and climatic zones. This is recognized as essential for effective long-term biodiversity conservation, particularly in view of anticipated impacts of climate change in the future. As a result, the establishment of Transfrontier Conservation Areas (TFCAs) has become a top priority in national and international strategies for sustainable biodiversity conservation in southern Africa, including that of Mozambique. In addition to the opportunity to preserve large scale ecosystems and ecological linkages, the TFCAs often contain specific biodiversity “hot spots.” For example, the Chimanimani massif (within the Chimanimani TFCAs) and the Maputaland area of plant diversity (within the Lubombo TFCAs) have been identified by the GOM and globally as priority biodiversity areas because of their high levels of species endemism. The Lubombo TFCAs also includes coastal areas important for the conservation of coral reefs and threatened turtle nesting grounds. The existing Limpopo TFCAs and Lubombo TFCAs and the proposed Niassa-Cabo Delgado and ZIMOZA TFCAs are all important for maintaining transboundary movements of elephants and other wildlife, while the coastal and near-shore portion of the proposed Niassa-Cabo Delgado TFCAs is equally significant for transfrontier movements of fish stocks.

The Mozambique National Biodiversity Strategy and Action Plan (NBSAP) highlights the biodiversity importance of these TFCAs and the need for Mozambique to participate in coordinated regional initiatives and bilateral agreements for conserving them. It also endorses many aspects of the specific model for TFCAs management that has been developed under the first phase of the WB/GEF-supported TFCAs program. These include:

- the involvement of local communities and other stakeholders in the management of Protected Areas (PAs);
- protection of natural habitats both inside and adjacent to PAs;
- integrated management planning, and the integration of conservation and sustainable use of biodiversity into sectoral and cross-sectoral plans, programs and policies;
- inter-sectoral planning, management and monitoring for conservation and sustainable use of coastal and marine biodiversity;
- community-based sustainable use of biodiversity and recognize, document and promote the use of traditional knowledge systems of importance to the conservation of biodiversity; and
- promotion of tourism development that contributes to conservation and sustainable use of biodiversity, particularly through equitable partnerships between the private sector and local communities (including, explicitly review

and updating of legislation relating to the rights of local communities to acquire rights over their land and resources).

The proposed TFCATD project also supports a number of other priorities identified in the NBSAP, including: review of existing policies, legislation and programs to ensure that these include provisions for the conservation and/or rehabilitation of ecosystems; strengthening of institutions related to the implementation of international conventions and agreements ratified by Mozambique; rehabilitation and redefinition of PAs; and identification of sensitive ecosystems, with a view to creating additional conservation areas (including TFCAs) if necessary.

GEF Eligibility

Mozambique signed the Convention on Biological Diversity in 1992, and ratified it in 1995.

Tourism in Southern Africa and Mozambique

Tourism is one of the fastest growing economic sectors worldwide. Global tourism arrivals reached 692 million in 2001, with a 5.5% annual increase forecasted for the next decade. Southern Africa accounted for approximate 1.6% of the total in 2001 (10.7 million arrivals), with a projected annual increase of 7.8% over the next few years, reaching some 30.5 million by 2020¹². Within the international tourism industry, all trends point to exclusive, nature-based and sustainable coastal tourism as being the biggest growth areas in the coming decades. Sixty percent of South Africa's 6 million tourists (representing \$2.5 billion in annual tourist revenues) already visit protected areas. Nature-based and coastal tourism are also areas in which many African countries, including Mozambique, have the greatest comparative advantage, due to their natural endowments and to the relatively low extent of environmentally destructive mass tourism development to date. Despite these advantages, Africa's overall share of the global tourism market remains low (increased by only 1 percent over the past 15 years) due to constraints that hinder private sector investment, such as inadequate infrastructure, poorly defined and non-transparent regulation, and a lack of planning. The tourism industry has become increasingly competitive as more and more countries recognize its potential and take measures to attract and encourage development. Without a comprehensive approach to address these constraints, African countries will be hard pressed to benefit from the estimated \$2 trillion global tourist receipts expected in 2020.

The tourism industry is also experiencing rapid growth in Mozambique (10-15 % annual increase in arrivals between 1995-2001; 400,000 tourist arrivals in 2001). Tourism is now the third largest sector for investments in the country. Recognizing the growing importance of the sector for the national economy and poverty alleviation, the GOM created a separate Ministry for tourism in 2001. In addition to the overall economic

¹² Figures from World Tourism Organization

promise of tourism development, many of the areas with greatest tourism potential are located in some of the poorest provinces of the country, where agricultural potential is lowest, where opportunities for other types of income generation are limited and where conservation-based tourism is one of the few potential sources of growth. The GOM therefore promotes the development of pro-poor tourism in these areas as a unique opportunity to improve the livelihoods of the local communities.

The GOM recognizes that Mozambique's comparative advantages lies in its relatively untouched/intact environment, and is strategically focusing on sustainable tourism that contributes to the conservation of natural areas. Mozambique can also benefit from its prime geographical location, particularly its proximity to the rapidly expanding local and international tourism market in South Africa, and the potential for highly marketable "bush and beach" circuits linking inland wildlife areas with the coast. The five existing and proposed TFCAs are strategically located from this perspective¹³. The GOM understands the urgent need to protect and capture the advantages of these natural assets, preventing the onset of irreversible change through inappropriate and unsustainable tourism development or other uses.

Existing constraints to tourism development in Mozambique include poor infrastructure and access to many high potential areas, the lack of institutional capacity to plan and manage tourism development and integrate it with other development plans and priorities, and a poor business climate. It is increasingly recognized that tourism development must be approached in the context of a national framework that addresses a broad range of issues that the tourism as a sector alone cannot address. The GOM therefore envisions a cross-sectoral approach in which sustainable tourism development is integrated into the country's overall policies and economic and physical planning processes. In short, tourism development is to some degree everyone's business.

The guiding framework for tourism development in Mozambique has been established in the GOM's Tourism Policy and Implementation Strategy (2003) and its Strategic Plan for Tourism Development in Mozambique (2004-2008) (SPTDM). As stated in these core documents, the objectives of the tourism policy are: to develop and position the country as a world-class tourism destination; to contribute to employment creation, economic growth and poverty alleviation; and to develop a sustainable tourism which will contribute to biodiversity and cultural conservation. The SPDTM defines priority products and target markets, and identifies priority areas for tourism investment (PATIs) and routes and circuits linking them. The five TFCAs to be supported under the TFCATDP are identified as PATIs in which conservation-based tourism is regarded as the lead development opportunity. The SPDTM emphasizes private sector involvement as the key driving force for tourism development, with community participation as a high priority, and with the Government having the role of creating the enabling institutional, legal and business environment to attract suitable investors. It also calls for a strategic and integrated development planning process (IDP) to be undertaken within each PATI as the basis for sustainable tourism and other development.

¹³ Lubombo TFCA, Great Limpopo TFCA, Chimanimani TFCA, Zimoza TFCA, and Niassa-Cabo Delgado TFCA.

The TFCA Support Program

The proposed TFCATDP represents the second phase of a support program (the TFCA Program) for Mozambique, which is expected to last approximately 15 years. The long-term objectives of the TFCA Program are: (i) the conservation of biodiversity and natural ecosystems within a number of large Transfrontier Conservation Areas (TFCAs), and (ii) economic development within these areas based on sustainable use of their natural resources by local communities. The term "Transfrontier" underscores the essential element of international collaboration to manage and develop shared resources. "Conservation Areas" denotes multiple use areas that encompass a range of land uses, including traditional national parks and other fully protected areas, various types of informal and formal reserves where some types of economic utilization are restricted, community based natural resource management areas, and private concessions for tourism and hunting. The TFCA thus represents a departure from the previous concept of a Transfrontier Park, and reflects the GOM's policy that biodiversity and natural resources must be both conserved and sustainably used for the benefit of local communities and national economic development.

While the TFCAs span national boundaries, the Mozambique TFCA program is a national program supporting the GOM's participation in international agreements and committees aimed at coordinating activities across the national borders, and on-the-ground activities in the portions of the TFCAs within Mozambique. This is complemented by an active TFCA program in South Africa, which is strongly supported by the Government and NGOs, and several smaller scale initiatives in Swaziland, Zambia and Zimbabwe. Regular international meetings and committees at both political and technical levels provide the mechanisms for developing and implementing specific agreements and protocols to promote transboundary conservation, natural resource management and tourism.

The first phase of the program was supported by the fully GEF-financed (\$5 million) Transfrontier Conservation Areas Pilot and Institutional Strengthening project (1998-2003) (TFCAPISP). It was developed in the context of a growing interest in large scale (including transboundary) spatial development initiatives (SDI) within the southern African region, which aim to stimulate private sector investment in underdeveloped areas by creating development nodes linked by transport corridors. The TFCA approach shared the SDI principles of transboundary linkages and cross-sectoral planning, but placed a stronger emphasis on environmental sustainability, ecosystem management and biodiversity conservation. The TFCAPISP was meant to launch the TFCA concept, and designed to provide a learning experience for Government agencies, NGOs, rural communities and the private sector on both sides of international boundaries, and set the stage for much more significant investments in the future. Some of the principles achievements of the project include: international agreements creating three TFCAs (Limpopo, Chimanimani and Lubombo), and one of the world's largest PAs (the Greater Limpopo Transfrontier Park); the creation of important institutional structures including

the TFCA Unit within the Ministry of Tourism, and the Elephant Coast Development Authority (in the Matutuine District, within the Lubombo TFCA); updating and strengthening of the national policy, strategy and development plan for tourism, as well as policies and institutions relating to wildlife and other natural resource management; and ; improved management of core protected areas within the three TFCAs.

As the TFCA Program is not a formal Adaptable Program Loan (APL), no specific targets were established to trigger the move from the first phase project to the second phase. However, sufficient progress was made and lessons learned from the pilot activities to justify moving into an implementation phase.

The TFCATDP, which will be financed by both GEF and IDA, will support the second phase of the program, which involves implementing the TFCA concept on the ground. The project aims to further strengthen biodiversity conservation and natural resource management in the TFCAs, while demonstrating that sustainable tourism development can provide both economic alternatives to unsustainable use and an incentive for protecting and managing biodiversity resources. The main mechanism for achieving these objectives will be the preparation and implementation of Integrated Development Plans (IDPs), which will provide the framework for planning and investment in sustainable development within the TFCAs (see next section). This includes both private sector investment in tourism and related enterprises, and public sector investment (e.g. in priority infrastructure) needed to create a favorable environment for this tourism development. The project will support implementation of the three existing TFCAs and the development of two additional areas: ZIMOZA TFCA and Niassa-Cabo Delgado TFCA. Of these, the territory and objectives of the ZIMOZA TFCA are relatively well defined, whereas Niassa-Cabo Delgado is at an early conceptual stage (see Annex 18). In keeping with the Government's decentralization policies and widely accepted principles for natural resource management, the focus for planning and implementation (and associated institutional development and capacity building), will now shift mainly to the provincial district and local levels. At the same time, national and regional stakeholders and priorities must continue to be included, in order to ensure that the larger scale ecological systems and linkages that underlie the TFCA concept are maintained.

The third phase of the TFCA program is expected to support the replication and scaling up of approaches and models developed and tested during the first two phases. It will also emphasize integration with other national and regional tourism development initiatives such as the proposed sector-wide program for the tourism sector in Mozambique (PROTUSC¹⁴) the IFC SEATIP, and the NEPAD-based OUZIT¹⁵ initiative, which are presently at early stages of development but are expected to represent an important mechanism for partnership and expansion in the future. By the end of the program, it is expected that environmentally sustainable, socially beneficial tourism will be well established as a major economic activity and integrating force within the region, with Mozambique playing an important role and realizing substantial benefits.

¹⁴ *Programa para Turismo Sustentavel e Conservacao*

¹⁵ Okavango Upper-Zambezi International Tourism

INTEGRATED DEVELOPMENT PLANNING

The concept of Integrated Development Planning (IDP) originated in South Africa in the post-Apartheid era, as a mechanism to implement the new government's policies to decentralize and strengthen local government. The objective was to unite a diverse array of local communities and stakeholders around a common set of development objectives and priorities. It was designed to create a consultative process for redistributing and allocating resources, attract and steer public and private sector investment, and facilitate communication and coordination across sectors and among different levels of government. Overall, the IDP approach aimed to replace the previous system of top-down spatial and development planning with a more locally based, bottom-up approach, while at the same time aligning local plans with national strategic priorities. The IDP is well established in South African law and governance systems. It was introduced as a planning instrument in 1996 under the Local Government Transition Act, and specified as a development tool at the local government level in a Local Government White Paper in 1998. The 2000 Municipal Systems Act mainstreamed IDP as part of the overall mandate and operations of municipal government, and specified methods and outputs for the process. In 2001 a set of guidelines prepared by the Department of Provincial and Local Government established IDP as the primary planning instrument at the municipality level. Initially the guidance provided to municipalities was limited, indicating only that IDPs should assist in ensuring that finances, budgets, expenditure and institutional arrangements are properly managed and performance driven. The 2000 Act provided a clearer framework by outlining the contents of IDPs and the process for preparing and adopting them, which involves linking planning, resource mobilization and implementation into a single, integrated cycle at the local level.

The IDP process in Mozambique has been evolving somewhat differently. Spearheaded by the Ministry for Environmental Coordination (MICOA), it is seen as an instrument to promote environmentally sustainable development. As such, it emphasizes integration of environmental and economic development objectives, rather than the integration of planning and implementation of investment and programs across different levels and branches of government. One result is that Strategic Environmental Assessment (SEA) has become an integral part of the process, providing information on environmental and social assets and constraints to help evaluate the sustainability and broader impacts of various development options. The IDP process in Mozambique also tends to encompass larger geographic areas, as they represent an effort to move away from solitary, small scale biodiversity conservation or natural resource management projects towards an ecosystem management approach. They have also become associated with geographically large scale undertakings such as Spatial Development Initiatives and TFCAs. Finally, while IDPs in South Africa mainly represent instruments for allocating available (primarily local) financial and institutional resources among various services and ongoing development activities (health, education, infrastructure, etc.), in Mozambique they are serving as a mechanism for allocating land and natural resources for different types of uses (tourism, agriculture, fishing, settlements, etc.). Therefore, rather than influencing

local government budgets, the expected outputs of the IDP process in Mozambique include spatial zoning plans and comprehensive development strategies.

As in the South African model, IDP in Mozambique is designed as a highly participatory process, intended to provide a bottom-up mechanism for identifying development objectives and priorities and for developing and implementing plans to achieve them. Also like the South African model, it aims to facilitate cross-sectoral coordination on the ground, instead of the traditional practice of relatively independent and isolated sectoral programs. However, in the absence of a clear legal framework, the linkage between IDPs and formal local or national government planning and budgeting processes is much weaker than in South Africa. This may soon change, if legislation currently under consideration is passed, which proposes to formalize procedures for spatial development planning under the overall jurisdiction of MICOA's National Directorate of Territorial Planning. It is not clear, however, whether this would apply to aspects such as land use planning and natural resource use in rural areas such as the TFCAs. Meanwhile, in keeping with the large role of international donors in supporting economic development in Mozambique, the IDP has begun to emerge as a framework to guide and coordinate donor funding, particularly in sensitive areas with important natural habitats and biodiversity resources. For example, it has been adopted as a core element of integrated coastal zone management under the WB/GEF-financed Coastal and Marine Biodiversity Management Project (CMBMP) among others.

Technical Annex 2: Major Related Projects Financed by the Bank and/or Other Agencies

The first phase Transfrontier Conservation Areas Pilot and Institutional Strengthening project (TFCAPIS), 1997-2003, pioneered the TFCA concept in Mozambique. Within the next few years a number of complementary initiatives were developed, including most notably a large program for transboundary natural resource management under the USAID Regional Center for Southern Africa (RCSA)'s Initiative for Southern Africa (2000- 2004). Two of the four focus areas of the USAID program included areas within Mozambique: the Greater Limpopo TFCA (formerly "Gaza-Kruger-Gonarezhou" TFCA) and the proposed ZIMOZA TFCA¹⁶ area in the mid-Zambezi basin, which includes Zumbo and Magoe Districts in Mozambique. The USAID program, implemented through a number of NGOs and contractors (African Wildlife Foundation, World Conservation Union(IUCN), Impacto, Development Alternatives Inc, etc.) aimed to promote cooperation in the conservation and management of transboundary biodiversity and natural resources. Among the activities supported were the development of a CBNRM program (Tchuma Tchato)on the Mozambique side of the ZIMOZA area, and community land demarcation and land use planning in several areas within the Limpopo TFCA as well as preparation of draft management plans for Zinave and Banhine National Parks. A second phase USAID program is under development.

Other recent, ongoing conservation and tourism related activities in the TFCAs in Mozambique include a project of the German Ministry of Cooperation (through KfV/¹⁷) supporting management of the Limpopo National Park, support from the Peace Parks Foundation for Coordinators of the Limpopo and Lubombo TFCAs, a Ford Foundation project for community tourism in the Chimanimani TFCA. An unusual arrangement in the Niassa Special Reserve involves a private company contracted to manage the Reserve (Sociedade de Gestao e Desenvolvimento da Reserve do Niassa), which is working in partnership with the NGO Fauna and Flora International, with additional contributions from USAID (Regional Center for Southern Africa), the U.S. State Department, and World Wildlife Fund/Norway. The KfV program is providing technical and financial assistance to DNAC for park management, including the creation of a fenced wildlife sanctuary within the LNP as a first step to re-establishing wildlife movements across the border with Kruger National Park. Among other activities, the Niassa program has supported biological and community surveys and scout training and is in the process of developing a management plan and establishing a small tourist camp.

In addition to these activities specifically focused within TFCAs, there are a number of other projects that support biodiversity conservation and/or nature-based tourism development in Mozambique, including regional projects that encompass Mozambique. These include several GEF-funded projects that are recently completed, ongoing or under preparation.

¹⁶ the name derives from ZIMbabwe/MOzambique/ZAmbia

¹⁷ Kreditanstalt fur Wiederaufbau

- The **Southern Africa Biodiversity Support Program** (UNDP) is implemented by SADC (Forestry Sector Coordination Unit) with technical assistance from IUCN (Regional Office for Southern Africa). aims to promote the conservation and sustainable use of biological diversity in Southern Africa by strengthening regional biodiversity planning and information exchange. This is an important element of cooperation for management of the transboundary areas, and the project will draw upon it for baseline data, monitoring methods, and as a means of disseminating results to the nine other member countries of the SABSP.
- The TFCATDP will draw upon and further strengthen the capacity that is being built for IDP under the **Coastal and Marine Biodiversity Management Project** (WB). The two projects operate in different areas, but share objectives of supporting biodiversity conservation linked with tourism investment.
- Two relevant projects in the GEF pipeline are **Biodiversity Conservation and Community Development in Villanculos Coastal Wildlife Sanctuary** (WB/IFC), and the regional project for **Reduction of Environmental Impact from Coastal Tourism through Introduction of Policy Changes and Strengthening Public-Private Partnerships** (UNEP – International Waters window). These two projects share numerous objectives and features with TFCATDP. For example, the Villanculos project aims to gain support from local government and communities for biodiversity conservation, by creating a sustainable local economy and sustainable tourism development in the recently established Sanctuary. The regional project aims to reduce the negative impacts of tourism on coastal and marine environments, through promoting appropriate policies and strategies, capacity building and supporting pilot projects in several African countries. Like the TFCATDP, it would emphasize private sector involvement and public/private partnerships. The Villanculos Sanctuary is not within one of the five TFCAs, and the proposed sites for pilot projects have not been identified for the regional project. However, even if there is no geographical overlap, there will be opportunities for synergy in promoting and supporting the development of supportive policies and legislation and in-country capacity, and for exchange of information and experience if these projects are approved.

Other important tourism related initiatives include the IFC's Southeastern Africa Tourism Investment Program (SEATIP) and the Okovango and Upper Zambezi Tourism initiative (OUZIT) (a program proposed under the auspices of the Southern African Development Community and the New Partnership for African Development) which aim to develop the integrated regional tourism routes and markets that will be key to successful tourism development in Mozambique.

Demarcation and registration of community lands is an essential element of the strategy to ensure that tourism development benefits and involves local communities. DFID has been active in supporting implementation of this aspect of the land law, in collaboration

with provincial government services responsible for land rights registration and a local NGO (ORAM), through the land tenure component of its Zambia Agricultural Development Project (ZADP). The ZADP closed in 2003, but DFID is in the process of preparing a follow-up operation which is likely to establish a funding mechanism to support community land demarcation. DFID has also supported implementation of the land law through a land component within the sector investment program (PROAGRI) of the Ministry of Agriculture and Rural Development (MADER).

In addition to these mainly environmental and conservation-related programs, the TFCAs must be seen within the context of a broader trend towards large scale spatial development planning (SDI), many of them involving transboundary elements, being promoted in southern Africa by regional institutions (Southern Africa Development Community; Development Bank for Southern Africa) and national governments. For example, South Africa has made a substantial commitment to SDIs, including some involving Mozambique (e.g., Maputo Corridor SDI; Lubombo SDI; Mtwara Corridor). There is considerable geographical overlap between the TFCAs and some of these SDIs. The objective behind SDIs is to focus political and financial support on areas where socio-economic conditions require concentrated assistance, and where there is under-utilized potential. The basic model involves identification of target sites for mainly public and private sector investment (development nodes), and linking them through transport corridors. While not inherently aimed at tourism or conservation, many of the SDIs have in fact focused on nature-based tourism as an appropriate area for investment and development in areas, such as some of the TFCAs, which have limited agricultural or industrial development potential. In these cases, where the TFCAs and SDIs have common objectives, there is considerable scope for synergy, particularly as the SDIs usually enjoy strong high-level political support. However, where development envisioned and promoted through SDIs may be incompatible with the objectives of TFCAs, this needs to be recognized and addressed through the IDP process.

Technical Annex 3: Results and Monitoring Framework

PDO/Global Environmental Objective	Outcome Indicators	Use of Results Information
<p>PDO: Increase environmentally sustainable tourism development and investment, and local participation and incomes from tourism, in the TFCAs</p> <p>GEO: Create and maintain within the TFCAs, a well-managed network of PAs, and ecological linkages among them</p>	<ul style="list-style-type: none"> • Increase in tourism development in TFCAs and investment by factor of 5 (measured by: (i) number of tourist beds; (ii) occupancy rates (bed-nights); • Increase participation of local residents in tourism and related enterprises by factor of 10 (measured by: numbers of local residents employed; proportion of household incomes from tourism); • All new tourism operations within the TFCAs meet agreed environmental and social criteria (see Component 3 indicators) • Improved management of 33,200 km² of existing PAs • Increase by at least 30% (10,000 km²) in total area managed for biodiversity conservation within the TFCAs, (including formal PAs (National Parks, National Reserves), and informal PAs (community conservation areas, private reserves) • Increase in populations and distributions of target species of animals and plants within the TFCAs, by at least 50% of their potential rate of increase in these habitats 	<ul style="list-style-type: none"> • If tourism development and employment statistics do not increase, it could indicate the project has not created sufficient or appropriate incentives, or not effectively identified or addressed the main obstacles to investment. • If by the end of the project there are a significant number of tourism operations within the TFCA that do not meet the environmental and social criteria, it could signal a lack of commitment to the IDP process and principles, or an ineffective regulatory framework. • If area managed for biodiversity conservation within TFCAs does not increase, it could indicate that short-medium term incentives for community/private conservation are insufficient to compete successfully against other land uses
Intermediate Results One per Component	Results Indicators for each Component	Use of Outcome Monitoring
<p>Component 1:</p> <p>Establishment of a policy, legal and organizational framework that provides clear institutional structures and incentives for effective and sustainable conservation and management of priority biodiversity assets (transboundary, and within and outside formal PAs)</p>	<p>Component 1:</p> <ul style="list-style-type: none"> • International agreements (for Zimoza and Niassa TFCAs) and additional technical protocols for TFCA management are signed • National conservation policy is approved, and PA legislation updated to create an enabling environment for TFCA, PAs, community and private conservation • DNAC has an up-to-date corporate vision and strategy, and is appropriately structured and staffed to carry it out 	<p>Component 1:</p> <ul style="list-style-type: none"> • If the necessary international agreements are not signed in a timely fashion, or if supporting conservation policy and legislation are not put in place, it would indicate either continuing institutional problems or a lack of political commitment to TFCA objectives • If national conservation policy is not approved and/or legislation is not updated, it may reflect a lack of Government capacity or commitment • If DNAC does not meet the

		identified targets for institutional development during life of the project,
<p>Component 2: Integrated development plan (IDP) completed, legally approved and used as basis for development planning and regulation in each of the 5 TFCAs.</p>	<p>Component 2:</p> <ul style="list-style-type: none"> • IDP process is implemented in timely fashion in each TFCA, based on its state of readiness (see Annex 4) • Macro-zoning plans are approved by Provincial administrations; • Fine scale zoning of priority tourism areas identified in IDPs is completed • IDPs are mainstreamed in Provincial/District/Municipal Development Plans • Any new development activities in the TFCAs, are consistent with IDPs 	<p>Component 2:</p> <ul style="list-style-type: none"> • If at least 2 IDPs are not approved by year 3, it could indicate that institutional capacity constraints and other obstacles were underestimated • If local administrations do not follow the macro-zoning plans, it will indicate that the IDP process was poorly designed or implemented in that it failed to achieve consensus and ownership by key stakeholders • If development occurs that is not consistent with approved IDPs, it could indicate that: (i) IDP is not an effective/appropriate instrument in this context; (ii) more education and outreach to stakeholders on IDP objectives and management principles is needed, or (iii) capacity to implement IDPs is lacking.
<p>Component 3: Improved investment climate for environmentally and socially appropriate tourism in the TFCAs</p>	<p>Component 3:</p> <ul style="list-style-type: none"> • Hectares of community land legally demarcated and registered in the priority tourism areas identified in IDPs • Percentage of prospective tourism investors surveyed indicating increasing satisfaction with the business climate (land allocation, licensing and regulator processes credit availability, etc.) • Number and aggregate financial value of tourism operations initiated within the TFCAs, meeting the following criteria: (i) location and type of operation is consistent with the IDP; (ii) is environmentally and socially sound (based on agreed standards, e.g. International Ecotourism Society); (iii) involves a formal business partnership between community and a private sector operator; (iv) has a sound business plan (able to obtain commercial financing if required). 	<p>Component 4:</p> <ul style="list-style-type: none"> • If community land in priority tourism areas is not demarcated and registered for the communities, it could indicate either inadequate capacity (DINAGECA and NGOs), or interference by vested interests • If there is little increase in tourism development indicators, it could indicate that incentives were inadequate and/or constraints to the business environment were not effectively addressed; • If tourism development occurs but with little community participation, it could mean that communities aren't being supported sufficiently (legally, financially, technically).
Component 4:	Component 4:	Component 4:

<p>Formal and informal PAs are well protected and managed, and generating revenues to meet an increasing proportion of their operating costs over time</p>	<ul style="list-style-type: none"> • Each PA has an updated Management Plan • Effectiveness of PA management increases over time, to good standard by end of project (based on project M&E ecological and operational indicators, incorporating IUCN or other agreed standards) • The marine PA in Lubombo TFCA, Matutuine district is established. • Priority infrastructure works in NPs and NRs are completed. • DNAC develops and implements a sustainable ecological monitoring program • Increase in the number of community conservation and CBNRM initiatives and micro-projects, meeting the following criteria: (i) contribute directly to TFCA biodiversity conservation objectives and/or mitigation of negative impacts of tourism development; (ii) have passed an appraisal process evaluating clarity of objectives, institutional capacity and market prospects (in the case of enterprise-based initiatives); (iii) continue beyond two years (note: evaluation based on this criterion is inherently delayed); • Populations and distributions of target species increase within formal and informal PAs, at a rate which is at least 50% of their ecological potential 	<ul style="list-style-type: none"> • If MPs are not being implemented satisfactorily, it could indicate that measures to strengthen capacity of DNAC at field level are inadequate. • If few CC/CBNRM activities are initiated it could indicate that DNAC/NGO capacity to support them is inadequate, or that incentives need to be strengthened • If CC/CBNRM initiatives do not meet the criteria indicated, it could reflect ineffective implementation and/or monitoring of this component, particularly in relation to microproject design • If population of (depleted) target species doesn't increase at the proposed rate, it could indicate ineffective PA management and protection, and/or or a failure in community extension activities
<p>Component 5: Project implementation is smooth and well coordinated, with good internal and external information flow.</p>	<p>Component 5:</p> <ul style="list-style-type: none"> • % of activities in annual work plans completed each year • M&E system is developed and implemented, with results disseminated in timely manner to implementing agencies. • Attractive, user-friendly, up-to-date website maintained • Accurate, favorable reporting regarding TFCAs in local and international media (regular monitoring of 20-30 selected national & international media outlets; measure total number of references and ratio of accurate/favorable to inaccurate or unfavorable reports) 	<p>Component 5:</p> <ul style="list-style-type: none"> • Consistent underachievement of work plan targets could indicate the project is too ambitious in relation to institutional/implementation capacity • If annual work plans do not incorporate information from M&E system, it could indicate indicators are impractical or M&E system is poorly implemented; • If there is little coverage of TFCAs in local or international media, or information provided is inaccurate, it would indicate communications/outreach activities need to be improved

**Addendum to Annex 3:
Arrangements for Results Monitoring**

(Baselines, targets and monitoring arrangements to be completed at Project Appraisal as some of the data are currently being collected)

Outcome Indicators	Baseline	Target Values							Data Collection and Reporting		
		YR1	YR2	YR3	YR4	YR5	YR6	YR7	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Number of tourist beds	Will be available at project appraisal			1.5 X Baseline		3 X Baseline		5 X Baseline	Annual collection of tourism statistics	Operators records	DINATUR; TFCA Unit
Occupancy rate	Will be available at project appraisal			1.5 X Baseline		3 X Baseline		5 X Baseline	Annual statistics	Operators records	DINATUR; TFCA Unit
Number of local residents earning income from tourism	Will be available at project appraisal			3 X Baseline		5 X Baseline		10 X Baseline	Annual statistics	Household surveys	TFCA Unit
Management effectiveness of PAs	TBD (1 st survey in Year 1)			3 X Baseline		5 X Baseline		10 X Baseline	Reflected in annual progress reports	Gazetting notices and Mgmt. Plans	DNAC
Area of formal & informal PAs inside TFCA's (km ²)	33,200			20% improvement over baseline		40% improvement		80% improvement	Survey reports every 2 years	IUCN survey instrument for effectiveness of PA Management	DNAC with independent cons.
Increased population of selected target spp.	TBD (baseline surveys in year 1)			TBD (25% of total potential)		40,000		44,100	Project progress reports and MTR	Legal decrees	DNAC, TFCA Unit

Results Indicators for Each Component	Baseline	YR1	YR2	YR3	YR4	YR5	YR6	YR7	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
1. Component One											
1.a) International Agreements & Protocols	3 TFCA agreements	Zimoza Agreement signed		Niassa-Cabo Delgado Agreement signed					Project progress reports	GOM Legal notices	TFCA Unit
1.b) Conservation policy and legislation	No policy; legislation requires updating		Draft policy and legislation completed	Policy approved; legislation enacted					Project Progress reports	GOM gazette notices	TFCA Unit
1.c) DNAC restructuring & staffing		Structuring report completed	Restructuring completed	60% staff in place		80% staff in place			Project Progress Reports	Information from MITUR and DNAC	MITUR, DNAC
2. Component Two											
2.a) IDP Process completed in timely fashion	No IDPs in TFCAs	IDP Coordinators recruited; training curricula & materials developed	IDP Coordinators trained; on-site awareness raising carried out; 2 SEAs completed	2 IDPs completed; SEAs carried out in other 3 TFCAs	2 add'l IDPs completed	1 add'l IDP completed			Project Progress Reports	IDP Coordinators' reports and draft and final IDPs	TFCA Unit
2.b) Macro-zoning plans approved by Provincial administrations;	(Follows completion of IDPs)				2 macro zoning plans approved	2 add'l approved	1 add'l approved		Project Progress reports and MTR	IDP Coordinators' reports and local Govt. notices	TFCA Unit, Provincial Administrations
2.c) Fine scale zoning of priority tourism areas identified in IDPs is completed	(Follows macro-zoning)			10% of identified area completed	30% of identified area completed	60% completed	100% completed		Project progress reports and MTR	IPD Coordinators' reports, draft and final local land use zoning maps	TFCA Unit

2.d) IDPs are mainstreamed in Provincial/District/Municipal Development Plans	(Follows completion of IDPs)	Years IDPs land to	1 through	3, commu.. cated	Completed in 2 TFCA s	Completed in 1 add'l TFCA	Completed in 1 add'l TFCA	Completed in 1 add'l TFCA	Project progress reports and MTR	Review of Provincial and District Development Plans	TFCA Unit, Provincial Administrations
3. Component Three											
3.a) Hectares of community land legally demarcated in priority tourism areas identified in IDPs	70,000	Years IDPs land to	1 through	3, commu.. cated	Completed in 2 TFCA s	Completed in 1 add'l TFCA	Completed in 1 add'l TFCA	Completed in 1 add'l TFCA	Project Progress Reports	Legal notices of land demarcation	
3.b) % of prospective tourism investors surveyed indicating business climate	TBD in year 1			50%		50% of area identified in IDPs		100% of area identified in IDPs	Semi-annual	Dedicated survey	CPI; DINATUR
Number and aggregate financial value of tourism operations initiated within the TFCA	Will be available at project appraisal			TBD based on IDPs				TBD based on IDPs	Annual statistics	Dedicated survey	CPI; DINATUR
Component 4:											
4.a) Establishment of marine PA in Lubombo TFCA	Concept stage	Proposed	Marine PA gazetted						Project progress reports	Legal notice	TFCA Unit, DNAC, MITUR, Parliament
4.b) New construction/rehabilitation of priority infrastructure in PAs	Will be available at project appraisal	M&E Program design; (key indicators, method)	10% completed	20% completed	50% completed	75% completed	100% completed		Annual project progress reports	Site inspections, procurement records	DNAC

4.c) Ecological Monitoring program	Nil	0 new initiatives	Baseline surveys/inventories	5 new	5 new	5 new	10 add'l new	10 add'l new	Repeat full survey/inventory	Schedule as indicated	Completed survey/inventory reports	DNAC, TFCA
4.d) Number of community conservation and CBNRM initiatives and micro-projects	Will be available at project appraisal		5 new initiatives	5 new	5 new	10 add'l new	10 add'l new	10 add'l new	10 add'l new	Annual project progress reports	Project M&E program; license applications to local govt. Proposals to Grants Facility	MITUR, DNAC
5. Component Five												
5.a) % of activities in annual work plans completed each year	0	70%	70%	70%	70%	70%	70%	70%	70%			
5.b) Project M&E system is developed and implemented, with results disseminated in timely manner to implementing agencies.	M&E system to be developed prior to project effectiveness	Implementation Ongoing	Ongoing	Ongoing	Midterm report	Ongoing	Ongoing	Ongoing	Final report	Annual	Project M&E reports	TFCA Unit and Implementing agencies
5.c) Attractive, user-friendly, up-to-date website maintained	No website	Specialist recruited; website designed	Website launched									
5.d) Accurate, favorable reporting regarding TFCAs in local and international media	TBD (survey in year 1, results to be incorp into M&E plan)			TBD (M&E plan)	TBD (M&E plan)				TBD (M&E plan)	Annual	Tracking by M&E Specialist	TFCA Unit

Technical Annex 4 : Detailed project description

OVERVIEW

The proposed project represents the second phase of a support program (the TFCA Program) for Mozambique, which is expected to last approximately 15 years. The long-term objectives of the TFCA Program are: (i) the conservation of biodiversity and natural ecosystems within a number of large Transfrontier Conservation Areas (TFCAs), and (ii) economic development within these areas based on sustainable use of their natural resources by local communities. TFCAs are designated because they contain important biodiversity assets and ecological linkages that span national borders (see Table 1 of main text, and Annex 9 for details on biodiversity values). Most TFCAs include one or more “core” Protected Areas (PAs), which are often contiguous with a PA on the other side of the border. The remainder of the territory within the TFCA is not formally protected but provides ecological linkages between PAs, or otherwise contribute to the conservation and development objectives of the TFCA. For convenience, all of the TFCA territory outside the core PAs is here referred to as “interstitial” area. Much of this interstitial area is occupied by rural communities whose livelihoods are based mainly on small scale agriculture, livestock husbandry and natural resource use (fishing, charcoal production, etc.). While the TFCAs span national boundaries, this is a national program supporting the GOM’s participation in international agreements and committees aimed at coordinating activities across the national borders, and on-the-ground activities in the portions of the TFCAs within Mozambique.

The five TFCAs that collectively encompass the target area for this project¹⁸ are also believed to contain sites with good potential for nature-based tourism development. They have been identified as Priority Areas for Tourism Development (PATI’s) in the Mozambique Strategic Plan for Tourism Development and are among the areas considered to be of particular interest under the IFC’s Southeast African Tourism Investment Promotion program (SEATIP), currently under preparation. There is already considerable investor activity and interest in some of the prime sites. The tourism development and conservation objectives are intended to be synergistic. However, in order for the development to be environmentally sustainable and to contribute to local livelihoods and economic development, it must be planned and monitored, and the incentive and regulatory frameworks must support and favor responsible tourism and discourage exploitative tourism.

Tourism is the primary focus of this project, because it is seen as having the potential to become a significant source of investment, employment and economic development within the TFCAs. While this project is not intended as a general support program for the Ministry of Tourism (MITUR), it will provide some strategic assistance for capacity

¹⁸ Greater Limpopo TFCA; Lebombo TFCA, and Chimanimani TFCA are already declared through formal Heads of State agreements; Zimoza TFCA will be declared shortly; Niassa-Cabo Delgado TFCA is at an early stage of identification

building within MITUR and other government institutions where this is needed to achieve specific objectives in the TFCAs. Similarly, this project is focused primarily on involving communities in tourism enterprises, and will not provide general support for local development or community-based natural resource management. However, within the constraints of the available resources, the project will provide some limited support for other types of community initiatives (e.g. sustainable natural resource management, sustainable agriculture) which are seen to be instrumental to achieving the conservation and development objectives of the TFCAs. Project implementing agencies will encourage other donors and interested parties to provide complimentary support for broader community development initiatives that are consistent with these objectives.

Maintaining large, intact natural ecosystems and ecological linkages that span national borders is an important goal for biodiversity conservation in southern Africa. At the same time, GOM policies and objectives call for the rich natural resources of these areas to be used in a sustainable way to contribute to improving the livelihoods and economic development of communities living in these areas. The GOM's initiative to establish TFCAs contributes to these goals by supporting the establishment and management of multiple-use conservation areas on the Mozambique side of five areas with significant transboundary biodiversity linkages. Environmentally sustainable tourism development has the potential to link the conservation and development objectives of the TFCAs by providing an economic alternative to unsustainable, destructive use of natural resources, as well as a direct economic incentive to maintain the natural ecosystems and their biodiversity.

The proposed project represents the second phase of a 15 year program to support the conservation of biodiversity and economic development, based on sustainable natural resource management (particularly tourism), in five large transfrontier conservation areas TFCAs. The first phase largely laid the popular, political and institutional groundwork for the TFCA concept. The GOM has made a clear commitment to promote biodiversity conservation, tourism and sustainable natural resource management throughout these TFCAs, and has taken important steps such as establishing the TFCA unit to implement this policy. However, the TFCAs remain somewhat intangible on the ground, lacking specific boundaries, legal designation, and institutional structures and procedures for land use planning and management of natural resources¹⁹. There is a lack of capacity and incentives for biodiversity conservation and sustainable use of natural resources. The granting of concessions and licenses for tourism, hunting or large scale agricultural or industrial development is largely *ad hoc* and often non-transparent, with little the benefit from these investments rarely reaching local communities. In practice, at present there is little that distinguishes their "interstitial" areas from any other part of the country.

The proposed project will support the second phase of the TFCA program, which consists of implementing the TFCAs on the ground. This will include:

¹⁹ Only the formal PAs within the TFCAs are legally designated, under the jurisdiction of the Department of Nature Conservation (DNAC)

- legal designation of TFCAs, including establishing boundaries; and developing regulations, criteria, procedures and institutional structures for planning, management and development (including a provision for Integrated Development Planning as the guiding framework);
- the preparation and implementation of a locally-led Integrated Development Plan (IDP) in each TFCA, to provide an environmentally sustainable framework for land use planning, natural resource management and development investment within the TFCAs;
- the development of environmentally sound and socially progressive nature tourism (emphasizing community/private sector partnership), and directly related economic activities, in areas with high tourism potential (as identified in the IDPs); and
- improving the effectiveness of the PA networks within the TFCAs by: (a) improving the management capacity of the Department of Nature Conservation (DNAC), (b) expanding or creating new formal PAs, and (c) supporting the establishment of community reserves and conservation areas (“informal PAs”) in key areas outside the formal PAs (e.g. corridors, dispersal areas, cultural sites, etc.)

• **PROJECT DEVELOPMENT AND GLOBAL ENVIRONMENT OBJECTIVES**

The overall goals to which the project will contribute are:

- (i) to maintain large, globally significant transfrontier ecosystems, with their biodiversity values and ecological linkages, involving some of southern Africa’s most important natural areas , and
- (ii) to enhance local livelihoods and support economic growth in these areas on a sustainable basis.

These goals are to be achieved by managing the Mozambique portions of five TFCAs as multiple-use areas, encompassing both conservation and sustainable use zones, with sustainable tourism as the major economic activity to be promoted. The principle vehicle will be the preparation and implementation of Integrated Development Plans.

In keeping with these goals, the project’s **Global Environment Objective** is to create and maintain a well-managed network of formal and informal protected areas (National Parks, National Reserves, community conservation areas, etc.), and ecological linkages among them, within the TFCAs. Key indicators include:

- improved ecological condition and management, and enhanced sustainability of existing PAs within the Mozambique TFCAs (total area of 33,200 km²);

- increase in total area managed for biodiversity conservation within the TFCAs by at least 30 percent (approx.10,000 km²), including formal PAs (National Parks, National Reserves), informal PAs (community conservation areas, private reserves), and key linkages between them (see Table 1 in main text for breakdown by TFCA); and
- increase in populations and distributions of selected target species of animals and plants within the TFCAs by at least 50% of their potential intrinsic rate of increase in these habitats.

The project's **Development Objective** is to increase environmentally sustainable tourism development and investment, and local participation and incomes from tourism, in the five TFCAs. Key indicators include:

- increased tourism development in TFCAs by at least a factor of five (measured by numbers of tourist beds and occupancy rates);
- (ii) increased local employment and income from tourism and related enterprises by at least a factor of 10 (measured by numbers of people employed in, and proportions of household income derived from, tourism; and
- (iii) 100 percent of new tourism development in the TFCAs meeting high standards for environmental and social sustainability²⁰, and involving community/private sector partnerships.

PROJECT COMPONENTS

Component 1 : Strengthening Policy, Legal and Institutional Framework for TFCA (\$3M) - IDA : \$2M ; GEF: \$1M

Building on the achievements of the first phase project, this component will further strengthen the enabling environment for implementation of TFCAs. It will enable the GOM to continue and improve regional collaboration for protection and management of unique transboundary resources, promote interagency collaboration and vertical linkages between central and decentralized government levels, and build the capacity of public sector institutions (particularly at Provincial and District level) and communities to manage biodiversity and natural resources, and to form productive partnerships with the private sector. Community land and natural resource ownership and use rights will also be addressed. This component focuses on policy, legal framework and institutional structures, while Components 3 and 4 address other aspects of institutional capacity building, such as capital investment, training and operational support. Specific activities to be supported will include:

1.1 International collaboration and agreements

²⁰ certified as such, if an appropriate certification scheme can be identified

The project will support continued international collaboration, at national and local levels and at political and technical levels, for management of transfrontier biodiversity and natural resources, and facilitation of tourism development across borders. It will support negotiation of additional international agreements and specific protocols for TFCAs, as required to advance transfrontier collaboration. Specific activities include supporting Mozambique's participation in TFCA diplomatic/political and technical meetings and committees, legal services and general awareness raising.

1.2 Development of a national biodiversity conservation policy and updating legislation

Mozambique currently has no national conservation policy, and the legislation for PA and wildlife management needs to be updated. The law recognizes only three categories of PAs (National Parks, National Reserves, and Hunting Blocks (*coutadas*)). This does not cover the diversity of categories called for in modern conservation approaches. Human residence inside NPs and NRs is prohibited, making the legal status of the thousands of people presently living inside these areas unclear. The Government has made a commitment to address this issue in a positive, consultative manner, but has not yet articulated a clear policy and approach. There is also no policy or legal framework defining or regulating the management of TFCAs, beyond general statements of their conservation and sustainable development objectives in international agreements. For example, existing TFCAs do not have clear boundaries, and the institutional responsibilities for managing their land and resources is often unclear. This lack of clarity has negative implications both for biodiversity conservation and for attracting responsible tourism investment. For example, the procedures and criteria for awarding concessions to private investors for development of tourism or other activities are unclear and often non-transparent (in TFCAs, as elsewhere in the country). Other important issues that need to be addressed involve policies and regulatory safeguards for restocking of wildlife inside and outside PAs, and empowering communities to establish their own legally recognized conservation areas, with clear objectives and regulations and the ability to restrict access by other users.

The project will support development of a national conservation policy, and review and updating of relevant legislation, to provide the framework needed to support the development and management of TFCAs in particular, and conservation areas and initiatives in general. This includes development of regulations and procedures for awarding, regulating and monitoring tourism concessions in TFCAs, and putting in place legal mechanisms for establishing community reserves and conservation areas. It will also review and promote updating of other policies and legislation that bears on TFCA objectives and management, such as those relating to community land and resource ownership and use rights.

1.3 Institutional restructuring of DNAC

DNAC has responsibility for protection and management of all PAs in Mozambique, including those falling within TFCAs. It is currently under-resourced and not well

structured or equipped to fulfill its mandate or to adopt modern approaches and practices, such as ecosystem-based management based on monitoring and targeted research, integrating land and wildlife management inside and outside PAs, businesslike operation, cross-sectoral coordination and collaboration, and partnership with local communities and the tourism industry. Even so, DNAC as an institution has demonstrated a willingness to experiment with new ideas and approaches, such as contracting management of certain PAs to NGOs or the private sector. The Government has indicated an interest in transforming DNAC into a semi-autonomous parastatal as a means of increasing its effectiveness and efficiency and making it more self-sufficient financially. However, experience elsewhere shows that this type of transformation is not an easily implemented “magic bullet,” but needs to be undertaken with careful planning, and technical and financial support during the transition period.

An institutional analysis of DNAC, to be completed prior to project appraisal, will identify its key strengths and weaknesses and provide a framework for institutional restructuring and capacity building to be supported by the project. This will include technical assistance for institutional development activities such as creating an appropriate institutional structure, preparing job descriptions and performance criteria, provision of short and/or long term advisors in specific technical areas, and preparation and implementation of a training needs analysis and training strategy and plan. Support under this component complements assistance to DNAC to improve its capacity and performance on the ground, described under Component 4.

In view of the enormous economic and livelihood implications of the growing HIV/AIDS epidemic, and the inevitable linkages between tourism development and STDs, the project will also support the development and implementation of policies and programs to combat HIV/AIDS within the implementing agencies.

The GEF funds will supplement IDA funds, particularly to address globally important aspects such as: improving transboundary cooperation for managing TFCAs; developing new policy and legal instruments for formally establishing and managing TFCAs and for community participation in biodiversity conservation; and a more efficient and effective DNAC with the capacity to implement an ecosystem-based approach to conservation, in collaboration with community, NGO and private sector partners.

Component 2 : Integrated Development Planning (\$3.2 M) - IDA: \$3.2M and GEF: \$0M

This component will support the preparation of Integrated Development Plan (IDPs) for each of the five TFCAs. An IDP is a tool for helping to ensure that economic development within a designated area follows a path that is environmentally, socially and economically sound. It is a participatory and inclusive process which uses Strategic Environment Assessment (SEA) and other methods to identify priority areas for different types of land use and development, in order to achieve both economic success and long term sustainability. It provides a framework for airing and reconciling competing interests, and for promoting synergy between development and conservation objectives

and activities across a large area. Within Mozambique the IDP approach is being pioneered by MICOA's Center for Sustainable Development (CDS) in several coastal areas under the GEF/IDA-financed Coastal and Marine Biodiversity Management Project (CMBMP). The National Tourism Policy and Strategy calls for IDPs to be prepared for all Priority Areas for Tourism Development (PATIs) to provide a guiding framework for tourism investment and development. It is expected that IDP will also feature prominently in the national biodiversity conservation policy, as a tool for conserving and managing biodiversity at an ecosystem and landscape level. The main output of the IDP process is a spatial plan outlining land use zones on a "macro" scale, which is then followed by finer scale planning within these zones.

The TFCATDP project will support the preparation of IDPs and local management plans within each TFCA, followed by support for implementation of priority developments identified through this process. In order to be meaningful, the IDPs will have to be fully owned by the key stakeholders and decision-makers, particularly the provincial governments, which are assuming increasing control and responsibility for local development under Mozambique's decentralization policy. The ultimate objective is for IDPs to have a legal standing and to be fully integrated with local development plans. The general IDP approach will be tailored to the specific needs of the TFCAs, which are at different starting points in terms of stakeholder awareness, institutional capacity, previous or ongoing planning activities, and current levels of development and development pressure. Because the IDP approach is relatively new and technically challenging, the first step will be to build the necessary individual and institutional capacity.

2.1 Capacity building for IDP process

The cadre of people with the skills and experience to lead and support an IDP process is very limited, both within Mozambique and worldwide. MICOA's Center for Sustainable Development, the only institution in the country with practical experience in this approach, is heavily occupied with its work in the coastal areas and cannot take on the responsibility for five additional, large areas. The project will address this gap by supporting the recruitment and training of five Regional IDP Coordinators²¹ within the TFCA Unit. These Regional Coordinators will coordinate and support the IDP process; however, carrying it out will be the responsibility of provincial and district government staff (particularly MITUR, MICOA and MADER). These implementing staff will also need specialized training in the principles and practice of IDP prior to beginning the exercise. Raising awareness and building capacity among other stakeholders (community members, NGOs, etc.) to enable them to understand and participate effectively is also essential.

Specific activities to be financed by the project include designing and carrying out training courses in IDP and in specific supporting fields (e.g. GIS, community resource

²¹ 1 each for Lubombo and Niassa TFCAs, one with responsibility for both Zimoza and Chimanimani TFCAs, and a 2- person team for Limpopo TFCA, in view of its size and complexity

mapping, communications, etc.); producing training manuals and other supporting documents; workshops and outreach materials. MICOA will provide technical support for training activities and the preparation of training materials, in order to ensure a common approach to IDP across the country. It is expected that the capacity building phase will take at least one year to complete.

2.2 Preparation of Integrated Development Plans

For consistency and to build upon the useful experience gained, the IDP process in the TFCAs will follow as closely as possible the approach that has been developed under the CMBMP. This includes the following main steps, which will be supported by the project:

Strategic Environmental Assessment (SEA), coordinated and guided by MICOA, to collect the essential information on environmental assets and ecological linkages, current use of natural resources, existing infrastructure and public services, threats to environmental sustainability and opportunities for sustainable use of natural resources;

Analysis and mapping of information, including Geographic Information System (GIS) methods. The analysis will involve comparing the likely costs and benefits of different development scenarios, and will take into account both internal factors and external factors, such as international cooperation and the implications of initiatives such as the South East Africa Regional Tourism Investment Program and the OUZIT initiative²², which aim to increase tourism levels across the region by developing trans-national tourism routes and circuits.

A participatory spatial planning exercise involving stakeholder workshops, resulting in "macro-zoning," i.e., identification of priority areas for tourism development and other land uses. This planning takes into account not only the assets and interests of the TFCA itself, but also broader considerations such as the Strategic Plan for Tourism Development, national biodiversity conservation priorities, etc.

Dissemination of the results of the spatial planning process, through a range of media and means

Formal/legal designation of the IDPs, through an appropriate instrument (e.g. law on Territorial Planning, currently under consideration)

The next step, fine scale mapping and management planning within the priority macro-zones, is addressed in Component 3.

²² Okavango-Upper Zambezi International Tourism initiative, a project being developed through the Southern Africa Development Community, under the auspices of the New Partnership for African Development (NEPAD)

In view of the enormous significance of the HIV/AIDS epidemic in the region, and the associated risks of tourism development, the project will support the development and implementation of a strategy to incorporate HIV/AIDS prevention and mitigation in the IDP process.

While eligible for GEF support in principle, this component will be funded entirely from the IDA Credit (and, if the GOM's application is successful, a PHRD co-financing grant from Japan to help meet the anticipated high costs of Technical Assistance).

Component 3: Community and Private Sector-Led Conservation and Tourism Development (\$7.2M) - IDA : \$7.9M and GEF: \$1.3M

This component will promote and support development of sustainable tourism and directly related economic activities within the TFCAs. The emphasis is on enterprises that involve a business partnership between communities and private sector investors/operators (e.g.: joint ventures, community leasing site to tourism operator, community hiring operator to manage its property, etc.). Given the limited resources and the large geographic areas involved, the project will focus strategically on sites identified through the IDP process as having high potential for sustainable tourism development. The project aims to enhance and facilitate strong community/private sector partnerships by ensuring that each party makes a significant and complementary contribution to the enterprise.

This subcomponent would also provide a limited amount of support for other natural resource management activities that are necessary to achieve sustainable tourism objectives, such as community-based management of woodlands or woodlots to meet increased demand for fuelwood near tourism sites and along access roads, or sustainable agriculture or water systems to compensate for reduced access to water sources and other resources in tourism development areas. Recognizing that communities within TFCAs have many other livelihood and development needs, the project implementing agencies will encourage other parties to support broader based community-based natural resource management and local development activities, under the umbrella of the IDP.

3.1 Community Support for Tourism Development

3.2 The TFCAs are rich in natural assets, but the resident communities lack the capital, skills and connections needed for successful business development. The emphasis therefore is on helping communities to attract and enter into positive partnerships with private sector investors to initiate environmentally, socially and economically sound tourism enterprises. Private sector/community joint ventures will be encouraged, although other models will also be eligible for support as long as they involve and benefit communities and appear likely to succeed. In order to ensure that local communities benefit from increased private sector investment (rather than

being displaced or disenfranchised by it), the project will support a range of empowerment and capacity building measures, including: (i) demarcation and registration of land in prime tourism areas for communities (through increasing the capacity of DINAGECA at provincial level by supporting operations and improved data management); (ii) technical assistance to identify potential tourism opportunities and seek interested investors; (iii) community organization and creation of representative, transparent legal entities able to enter into contractual arrangements; (iv) legal advice and representation, including mechanisms to enable communities to seek redress against what they regard as unfair practices by investment partners; (v) tourism “literacy” education (including study tours and visits to successful operations) and training in relevant skills; (vi) development of tools such as standard bidding documents and contracts; (vii) matching funds for apprenticeships and internships with successful operators; and (viii) technical assistance for developing secondary enterprises relating to tourism, such as handicrafts, food services, guide services, etc. The project will also establish a modest community tourism financing facility, aimed at helping communities enhance their attractiveness as partners for private sector investors (the private investors would have parallel access to loans through IFC Small and Medium Enterprises program). These grants would reduce investors’ risks by helping to cover the incremental costs of biodiversity conservation and community development – related activities that would be a required element of tourism investment within TFCAs. Providing the grants to community partners, rather than to the private investors directly would contribute to community empowerment and more equal partnerships. Improving the Environment for Private Sector Investment

This sub-component aims to improve the business environment for tourism development in the TFCAs (and by extension, for private sector investment in Mozambique overall). It complements the IFC’s SEATIP program, which will place the TFCA areas within the larger context of tourism circuits and routes, which is essential for generating sufficient tourist volume to make the tourism ventures viable. There is also important synergy with the IFC’s Small and Medium Enterprise program, which is expected to provide an important source of financing for tourism ventures in the areas.

The component will support the efforts of MITUR and others to reform policies, regulations and institutional processes to alleviate current obstacles to tourism investment, such as unclear and non-transparent land allocation and tourism concession award processes, licensing and tax issues, labor laws, immigration issues, etc. This will include, among other things, training for parties critical to the process of awarding and regulating tourism concessions, including the judiciary. The project will also provide training and technical advisory services to DINATUR and to provincial government offices responsible for TFCAs, to help them streamline and monitor tourism policies and regulations, and support the preparation of a manual for the private sector with information on TFCA principles, benefits and responsibilities involved in operating in TFCAs.

The project will not provide credit or other financial assistance directly to private sector investors (this is expected to be available through the IFC's SME program and other sources). However, it will provide important indirect financial incentives and assistance by reducing potential investors' costs and risks. This includes improving infrastructure for access, services and communications (only very limited resources available under this project, but the TFCA Unit and other implementing agencies will seek to collaborate with other programs to attract additional infrastructure investment to priority tourism areas). The community tourism financing facility described under section 3.1 will also provide an indirect financial incentive for the private sector partner, as they will contribute to a more attractive and lower risk total financing package for the enterprise.

The project will also support a communications officer within the TFCA unit to facilitate information flow and better communication regarding the objectives and opportunities of TFCAs to prospective investors and other interested parties.

This component will be co-financed by GEF and IDA. Specific outputs supported by GEF will include: accelerated and expanded land demarcation in priority community tourism areas (ensuring community rights in these areas); incorporation of biodiversity conservation and environmental management and restoration in local land use planning; community-based natural resource management initiatives (related to sustainable tourism objectives); strengthened capacity among local communities to engage in equitable and productive partnerships with private sector (including financial capacity, through the Community Tourism Grant Facility).

Component 4 : Biodiversity Conservation and Protected Areas Management (\$10.7 M)
- IDA: \$4.4M and GEF: \$6.3M

This component will support the identification, monitoring and protection of the most significant and vulnerable biodiversity assets within the TFCAs. This will include TFCA-wide activities such as biodiversity inventories and monitoring, and the establishment and management of a network of core protected areas (PAs). The PAs will include both formal PAs (National Parks and Reserves) under the direct management of the DNAC, and informal PAs such as community conservation areas and (where appropriate) private reserves which are not used for tourism development. Under the project, the area dedicated primarily to protection of biodiversity is expected to expand by at least 10,000 km² (a 30% increase). The component is comprised of three subcomponents, which reflect these objectives.

4.1 Biodiversity surveys, inventories, monitoring and applied research

Technical and financial assistance will be provided to DNAC and other appropriate institutions to identify and monitor nationally and regionally important biodiversity assets and ecological linkages within the TFCAs, and identify priority sites and interventions for protecting them. A research program (supported through small grants) will focus on topics that are likely to contribute directly to improved PA and biodiversity management.

such as sustainability of use of biodiversity resources, reducing human/wildlife conflicts and improved methods for biodiversity and ecological monitoring. Technical studies will include research needed to establish accurate baselines and realistic targets for rates of increase and final populations of species which the project aims to help re-establish or restore in the TFCAs. These targets must take into account factors such as the species' intrinsic rate of increase and habitat carrying capacity.

4.2 Biodiversity conservation in formal Protected Areas

DNAC currently has limited capacity and resources to manage National Parks and National Reserves effectively, and is dependent on external assistance²³. In addition to the support for institutional restructuring discussed in Component 1.3, under this Component the project will provide investment and operational support to enhance DNAC's capacity and effectiveness on the ground. Although direct investments and support will be restricted to PAs within the five TFCAs, the capacity building provided under this project is expected to yield broader benefits across the entire organization. As the project's resources are not adequate to meet all of the management needs of the target PAs, the priority will be on: (i) investments and recurrent costs that will have the greatest impact on maintaining and improving the global biodiversity values of these areas and improve DNAC's relationships and partnerships with local communities (particularly for GEF funds); and (ii) infrastructure and other investments and activities needed to stimulate and monitor/regulate tourism development and enhance DNAC's long term sustainability.

Specific activities to be supported include:

- Technical studies, consultations and preparation of legal documents for the expansion or creation of new PAs
- Development and updating of PA management plans;
- Rehabilitation and limited construction of priority infrastructure, based on approved management plans (may include access roads, buildings, ranger accommodations, electricity transfer, visitor centers, gates, air strips, boreholes, power units, etc.)
- Procurement of goods and equipment for PA management (e.g. vehicles, tractors, computers, office furniture, radios, uniforms, and other field equipment)

²³ e.g., KFW is supporting management of the Limpopo NP; the Niassa Reserve Development Company is supporting and managing the Niassa Special Reserve; discussions are underway with several potential donors for support of Gorongosa NP

- Logistical support for wildlife restocking (e.g. transportation, technical assistance, receiving facilities)
- Training and other capacity building for protected area staff (e.g. law enforcement; community liaison; organizational and financial management, communication, tourism management, PA management planning, ecological monitoring, HIV/AIDS, etc.)
- Technical assistance for specific organizational development issues, such as mechanisms for enhancing financial sustainability
- Support for essential operating costs, on a matching and declining basis

4.3 Community-based conservation

Also under this component, communities within TFCAs will be encouraged and assisted to conserve habitats and protect biodiversity in areas identified as conservation priorities in the SEA and the IDP, which are not formal PAs or PA buffer zones (the latter are addressed in Component 4.2). Activities to be financed will provide technical and financial assistance for activities such as developing and implementing land and resource management plans and setting harvesting quotas and restricting outsiders' access. Under certain conditions, the project might also provide some support for wildlife restocking in community conservation areas.

The project will also provide alternative assistance and incentives in situations where nature-based tourism is unlikely to provide sufficient revenues and benefits to be an effective incentive (or in the interim, before substantial tourism benefits materialize). The types of assistance may include development activities such as sustainable agriculture, support for developing and marketing products based on sustainable use of abundant and resilient species, social infrastructure, or other priorities identified by the communities. The assistance will be provided in exchange for specific, concrete and lasting conservation actions and outcomes which are clearly identified and formalized in written agreements between DNAC and community representatives. These agreements will define the responsibilities of both parties and provide for joint monitoring and enforcement of actions and impacts. To the extent possible, community organizations will be responsible for ensuring the compliance of community members.

This component will be co-financed by GEF and IDA. IDA support will focus on basic PA management improvement such as essential infrastructure, equipment and operating costs. GEF support will make it possible to go beyond basic levels and achieve incrementally greater gains in aspects such as: more effective monitoring of ecological and socio-economic impacts of conservation and development activities in the TFCAs; increased investment in conservation-focused aspects of PA infrastructure and management; an expanded community-oriented conservation program involving and

benefiting larger areas and numbers of communities, including strengthened capacity for this purpose both within DNAC and among communities .

Component 5: Project Management, Communications, and Monitoring and Evaluation (\$3.4 M) - IDA : \$2.5M and GEF: \$0.9M

This component will ensure effective coordination and management of project activities, support project components through procurement and financial management services, and establish and track indicators of project implementation and impacts. It will guarantee the information is used to improve the project on an ongoing basis (adaptive management), ensure a flow of accurate and timely information about the project and its objectives, and achievements both within and outside Mozambique.

5.1 Project coordination and management

Overall coordination and management of the project will continue to be the responsibility of the TFCA Unit of MITUR, which will be strengthened to be able to carry out this role. This includes adding some long term staff at the TFCA Unit in Maputo, as well as establishing TFCA Coordinator positions in the field (consistent with the increased focus on activities at the Provincial and local level). Details of existing and additional staffing are Technical Annex 6. The project will also make provision for short term technical assistance to supplement existing staffing in specialized areas, and will support the operating costs of the TFCA Unit.

5.2 Information and communication

The TFCA concept as it is being developed in Mozambique is not sufficiently well understood either within the country or outside. For example, there is a tendency (readily observable in the literature) to confuse TFCAs with the more limited and restrictive model of transfrontier parks. It is also important for potential investors and supporters to have up-to-date information on the merits and the status of TFCAs and the measures being taken to develop and strengthen them. The project will support the development and implementation of a multi-media communications strategy (led by a communications and information specialist within the TFCA Unit) to ensure that timely and accurate information is readily available both to project implementers and stakeholders and to other interested parties. While not a marketing strategy per se, it is expected that the communications strategy will promote both tourists and private sector investment by raising the profile of the TFCAs and demonstrating that they are the focus of considerable interest and support from the government and major donors.

This component will also support the development of mechanisms to ensure two-way communication and knowledge exchange between the different levels of government institutions and other stakeholders (particularly communities within the TFCAs) in the context of the IDP process.

5.3 Monitoring, evaluation and adaptive management

The project will support the development and implementation of an M&E program, which will track both project implementation and results (relating to biodiversity conservation, tourism development and community benefits), through selected indicators based on the Results Framework (Technical Annex 3). Beyond collecting data to track these indicators, the M&E program will involve analysis and dissemination of the information and active assistance to project implementing agencies to use the information to improve project implementation and, where appropriate, re-orient approaches or targets. Because M&E is frequently neglected by project managers in view of other, more urgent demands on their time, the project will support a full time M&E specialist within the TFCA Unit for the first two years of the project, during which it is expected that the M&E system will be fully developed and launched. In later years, short term technical assistance may be required periodically to ensure that the M&E system remains functional and relevant. Towards the end of the project, the M&E system will be used to provide guidance for the future direction of the program.

Funding of this component will be split between IDA and GEF on a pro-rated basis, reflecting the relative size of the IDA Credit and GEF Grant. Within this context, GEF funds will in particular make it possible for the project management team to engage in more effective monitoring of conservation impacts, with feedback of results to improve PA management and other relevant aspects of the project. It will also significantly enhance the scale and scope of the communication and dissemination strategy, facilitating the objective of increasing interest and support for TFCAs at local and national level and to disseminate results and lessons worldwide.

Technical Annex 5: Project Costs

Component	Sub-component	IDA (\$ mill)	GEF (\$ mill)	Government (\$ mill)	Other	Total (\$ mill)
Component 1: Strengthening Policy, Legal and Institutional Framework for TFCAs (\$3M)		2.0	1	0.4		3.4
	International collaboration	0.6	0.5	0.1		1.2
	Development of a national conservation policy and updating PA legislation	0.4	0.25	0.1		0.75
	Institutional restructuring of DNAC	1.0	0.25	0.2		1.45
Component 2 : Integrated Development Planning		3.2	0	0.4		3.6
	Capacity building for the IDP process	1.0	0	0.2		1.2
	Preparation of IDPs in each of the five TFCA	1.2	0	0.1		1.3
	Participatory spatial planning at the "macro" level	1.0	0	0.1		1.1
Component 3 : Community and Private Sector- Led Tourism Development		7.9	1.3	0.9	(TBD: support from IFC/SME; co- financing by private sector)	10.1 (not including other co- financing)

	Participatory management planning in priority areas	0.8	0.4	0.1		1.3
	Support to communities for tourism development	2.1	0.9	0.4	(TBD)	3.4
	Improving the environment for private sector investment	5.0	0	0.4		5.4
Component 4: Protected areas conservation and management		4.4	6.3	1.3		12.0
	Development and updating of PA management plans	0.	0.25	0.1		0.35
	Direct investments to improve management of PAs within TFCAs	2.3	2.9	0.5		5.7
	Biodiversity and ecological surveys, monitoring and applied research	0.8	0.7	0.1		1.6
	Community conservation (capacity building and incentives)	0.4	2.05	0.3		2.75
	Training and other capacity building for protected area staff	0.2	0.25	0.1		0.55
	Technical assistance for specific organizational	0.2	0.4	0.1		0.7

	development issues					
	Support for essential operating costs	0.2	0.25	0.1		0.55
Component 5:		2.5	0.9	0.4		3.8
Project Management, Communications, and Monitoring and Evaluation						
	Project coordination and management, including technical and administrative staffing and operating costs of the TFCA Unit	1.3	0.4	0.1		1.8
	An information management system and a multi-media communications strategy	0.3	0.1	0.1		0.5
	A monitoring, evaluation and adaptive management system to track project implementation and results	0.9	0.4	0.2		1.5
Proj. Prep. Facil.		0.60	0	0		0.6
GRAND TOTAL		20.6	10	3.4		34.0

Technical Annex 6: Implementation Arrangements

The TFCA Unit in the Ministry of Tourism (MITUR) will be responsible for overall coordination, management and administration of the project, including procurement, disbursing funds to other implementing agencies and financial accounting, and preparation of work plans and progress reports.

COMPONENT 1: Strengthening Policy, Legal and Institutional Framework for TFCAs

Responsibility for implementation of this component will rest primarily with MITUR, including TFCA Unit (for international collaboration aspects) and the National Directorate for Conservation Areas (DNAC) (for conservation policy and legislation, and DNAC institutional strengthening). DNAC will collaborate closely with the National Directorate for Flora and Fauna (DNFFB), the Ministry for Agriculture and Rural Development (MADER), the Ministry for Environmental Coordination (MICOA), the Directorate of Water Affairs, and with fisheries authorities on conservation policy and legislation. Details of implementation arrangements within DNAC will be developed following the institutional analysis being undertaken during project preparation.

COMPONENT 2: Integrated Development Planning

The specific institutional arrangements for implementation of this component remain to be determined, as there are a number of government agencies with relevant mandates and capacity. MICOA will be the lead implementing agency, having pioneered the Integrated Development Planning (IDP) approach in Mozambique under the Coastal Zone project. Four institutions under MICOA are involved in developing and implementing the IDP approach: the National Directorate of Territorial Planning (DINAPOT), the National Directorate for Environmental Management (DNGA) and the Center for Sustainable Development-Coastal Zone (CDS-ZC), based in Xai-Xai. The National Directorate of Environmental Assessment (DNAIA) also plays an important role through its responsibility for promoting and supporting Strategic Environmental Assessment.

The ultimate objective is for IDPs to be fully mainstreamed into District and Municipal Development Plans, which are under the jurisdiction of decentralized government (e.g., Provincial Governors, District Administrators, and the Provincial Cabinet including Directors for Agriculture, for Tourism and for Environment). Therefore MICOA will work closely with these bodies and with other agencies involved in land use and spatial planning. DINAPOT is responsible for setting standards at District levels and promoting integrated development plans for regional provincial and district levels, and new legislation for territorial planning which is currently under consideration could provide the legal framework for development and formal approval of IDPs under DINAPOT. At the same time, other institutions, such as the Regional Planning Directorate of the

Institute of Rural Development (INDER) and the National Institute of Physical Planning (INPF) also have mandates which are relevant to the IDP process.

Because MICOA does not have the human resource capacity needed to lead IDPs in five new areas in addition to its existing responsibilities, the TFCA Unit will recruit IDP Coordinators and second them to MICOA for this purpose. Experienced MICOA staff (supplemented with short term TA as needed) will provide guidance and training and oversight, including preparation of guidelines and manuals. The IDP Coordinators will be responsible for all aspects of the IDP process (as described in Technical Annex 4). Provincial and local governments have the primary responsibility for land use and development planning.

The project will finance the recruitment and training of IDP Coordinators to lead the IDP process in each TFCA. These IDP Coordinators will report to the TFCA Unit, with collateral responsibility to the respective Provincial Governors, to ensure full ownership of the IDP process at the Provincial level. There will be one IDP Coordinator for each of the TFCAs, with the exception of Limpopo TFCA, which will have a 2-person team in view of the size of the area and complexity of issues. In Niassa the IDP coordinator will be hired once initial work is done to identify provisional boundaries for the TFCA, accommodating elephant corridors and other important ecological features. The IDP Coordinator for Lebombo TFCA will work closely with the ECDA Coordinator who, will have responsibility for tourism development-related planning in the Matutuine area within the Lebombo TFCA. The IDP Coordinators will be responsible for all aspects of the IDP process (as described in Technical Annex 4), from the initial SEA through the fine scale mapping and development of management plans. including ensuring the participation of the key government agencies, local governments, local communities and other stakeholders. They will be supported by specialized short term TA as needed (e.g. GIS/mapping; environmental and social assessment, economic analysis, hydrology, biodiversity, etc.). The requirements for this supplementary TA will be identified in an action plan to be developed by the TFCA Unit, with technical support from MICOA, at the beginning of the IDP process. They will work closely with the Regional TFCA Coordinators, who will have overall responsibility for management of the TFCAs (see Component 5),

COMPONENT 3: Community and Private Sector-Led Tourism Development

This component focuses primarily on the “interstitial” areas within the TFCAs, i.e. the areas that do not fall within the core Protected Areas (the latter are addressed in Component 4). However, where communities continue to reside within PAs, they would also be covered under this component. Key decision-makers and actors in these areas include the Provincial Governors and District administrators, DNFFB (responsible for management of natural resources outside PAs), and the resident communities.

The component comprises two main elements or sub-components: (i) supporting local communities’ participation in tourism and related development; and (ii) creating an

attractive environment for environmentally and socially responsible private sector investment in tourism and related enterprises.

The TFCA Unit and other units within MITUR will share responsibility for implementation of activities within this component, with some specific activities being implemented by other appropriate agencies. The TFCA unit is responsible for overall coordination, both in its role as Coordinating Agency for the TFCATDP project and in view of its mandate for supporting the conservation and management of TFCAs in general. Through the TFCA Unit, the project will provide technical and financial assistance to the various agencies to enable them to carry out their responsibilities in a way that supports TFCA objectives. For example, the National Directorate for Survey and Cadastre (DINAGECA) will receive general operational support for field staff, and assistance to improve its data base management and information systems (particularly at provincial level), to facilitate the process of demarcating and registering community lands within TFCAs. Similarly, the project will provide the National Directorate for Tourism (DINATUR) with a long term TA with special responsibility to strengthen the capacity of provincial offices responsible for TFCAs to promote, facilitate, guide and regulate tourism investment and development. The details of the assistance for each agency will be guided by the Project Implementation Plan and the IDP process, formalized through Memoranda of Understanding as appropriate, and specified in the TFCA Unit's bi-annual (6 monthly) work plans. Some activities, such as community mobilization and capacity building, may be implemented by NGOs either through a collaborative partnership arrangement with the TFCA Unit, or under contract.

The following table summarizes the agencies that will be involved in implementation of the main activities under this component (Note: in some cases, implementation responsibilities remain to be determined. The activities are described in detail in Annex 4):

Sub-component	Main Activities	Implementing Agency
Community participation in tourism development	Land demarcation and allocation (concession awards)	DINAGECA; NGOs; DNFFB;
	Community awareness-raising, organization and capacity-building and training for tourism development and private sector partnership	MITUR Directorate of Tourism and Directorate of Human Resources; DNFFB; NGOs
	Community land and resource planning	TFCA Unit (IDP Coordinators); MICOA (Department of Territorial Planning); Provincial Governor and Cabinet; DNFFB;

	Establishment and operation of a community tourism facilitation grant facility	APDF (as window within SME program)?
Improving environment for private sector tourism investment	Improve land allocation (for non-community areas) and tourism concession award process	MITUR (DINATUR); Center for Investment Promotion (CPI); Ministry of Agriculture ²⁴ ; DINAGECA
	Improve/streamline business environment for tourism investment;	CPI; DINATUR
	Develop manual for investors in TFCA	TFCA Unit; CPI; MITUR
	Facilitating access to financing (e.g. through IFC SME process)	CPI; APDF?
	Rehabilitation/construction of priority infrastructure (modest investment directly from TFCATDP; leveraging additional resources through coordination with other programs)	TFCA Unit; MITUR; Ministry of Transport and Communications
	Training for judiciary at Provincial level	

COMPONENT 4: Protected Areas Management and Community Conservation

Effective management of formal (state) and informal (e.g. community or private) Protected Areas (PAs) and other within the TFCAs is essential for meeting both the conservation and tourism development objectives of the TFCAs. These “core” PAs typically encompass the most important biodiversity and natural habitats, and also provide a refuge for and breeding ground for wildlife populations in the broader areas. The majority of project investment will be on conservation-related activities (e.g. ecological monitoring and research, area and species protection and management, rehabilitation/construction of infrastructure to support these objectives). However, some concession-based tourism development within PAs is also envisaged, which will require project support in the form of TA and possibly infrastructure.

Protected Areas in Mozambique fall under the responsibility of DNAC, which will be the lead implementing agency for this component. This includes all activities within the formal core PAs (National Parks and National Reserves) and their buffer zones, as well

²⁴ Responsible for allocation and management of land outside Protected Areas

as support for community conservation (including the establishment of community conservation areas) in the interstitial areas of the TFCAs. An institutional analysis being undertaken during project preparation will help to identify any restructuring and capacity building that could be needed to strengthen DNAC's implementation capacity.

While the current legislation recognizes only three categories of PAs (National Parks, National Reserves and Hunting Blocks), one of the objectives of Component 1 is to update the legislation to encompass other types of conservation areas, including community and private reserves. Under the revised legislation, responsibility for promoting and facilitating conservation in these new types of PAs is likely to fall to DNAC²⁵. The project will assist in building the agency's capacity to undertake this responsibility, including working with community and/or private sector partners.

Some activities under this component will be implemented by other conservation partners, such as NGOs, local Universities, etc., through contractual arrangements with the TFCA Unit or DNAC, or through grants (e.g. for applied research projects).

The TFCA Unit has overall responsibility for ensuring that the objectives of TFCAs are met, and the management of the core PAs is a crucial element. Therefore, a consultative advisory or liaison committee will be established for each TFCA to ensure close collaboration between DNAC and the TFCA Unit. These committees will also include other key stakeholders, such as DNFFB (to facilitate synergies between the management of PA and interstitial areas), community representatives, NGOs or donors active in the area, etc.

COMPONENT 5: Project Management, Communications and M&E

In addition to overall project coordination and administration, the TFCA Unit will be responsible for developing and implementing a Monitoring and Evaluation system to track both project implementation and results (based on the agreed results indicators), and an information and communications system to ensure timely flow of important information among implementing agencies and externally.

The existing TFCA Unit (from the time of its creation) was responsible for implementation of TFCA Phase 1 pilot project. Given the greater scope and complexity of the Phase 2 project, the Unit will be extended and strengthened both in terms of technical and operational capacity. Given the institutional and technical challenges of implementing the TFCA concept and IDP process and the need for intensive ongoing collaboration with other stakeholders, it is essential to ensure sufficient capacity within the coordinating agency, particularly at the field level. Another change from Phase 1 is the greater emphasis on tourism development and therefore the need for tourism-related expertise.

²⁵ There is a possibility that some would fall under DNFFB, e.g. community conservation areas

The existing TFCA Unit includes a Director (also serving as the overall Project Coordinator), Procurement Specialist, Accountant and Legal/Community Advisor, secretarial and office staff and driver. The TFCA Unit also currently includes the Coordinator for the Greater Limpopo TFCA; however, this position will rotate to Zimbabwe in 2005. In addition to the existing staff, the following (national) personnel will be recruited for the TFCA Unit:

- Regional TFCA Coordinators: for Mozambique side of Limpopo TFCA, Lebombo TFCA, Niassa TFCA, Chimanimani and Zimoza TFCAs
- Project Administrator (with procurement skills);
- Accounts Assistant, with special responsibility for decentralized accounts;
- Information/Communications Specialist;
- Monitoring and Evaluation Specialist;
- Additional office assistants and drivers (e.g. for Regional Coordinators)

Provision will also be made for short term TA to fill specific gaps, such as specialized procurement, audits, translation, etc.

The responsibilities of the Regional TFCA Coordinators will include:

- Participating in and supporting the IDP process (being led by the IDP Coordinators);
- liaising with provincial offices of DNAC and DNFFB to facilitate and ensure coordination of wildlife management inside and outside protected areas;
- working with government agencies and NGOs to build community capacity and promote community participation in tourism development (including demarcation process)
- encouraging private sector participation (in collaboration with provincial CPI)
- Raising awareness at provincial and district levels about TFCA principles, issues and progress
- Promoting cross-disciplinary and multisectoral (government, NGO, community, private sector) collaboration for TFCA development at provincial and district levels
- Ensuring monitoring and evaluation of biodiversity conservation and development activities and overall project implementation

A Tourism Development Specialist recruited by the project will be seconded to the Ministry of Tourism's Directorate of Tourism, to provide technical support and liaison. The project will finance salaries, office space and operating costs of the TFCA Unit.

Technical Annex 7: Incremental Cost Analysis

1. Broad Development Goals and the Baseline Course of Action

The Government's Development and Poverty Reduction Strategy (PRSP) focuses on efforts to **increase economic opportunities** by generating poverty reducing and employment-creating growth through the private sector; **improve governance and empowerment**, through a more effective public sector, improved rule of law, and greater transparency and accountability; and **improve human capabilities**.

In 2000 agriculture, fisheries, mining and tourism-activities based on exploiting the environment-contributed about 45 percent of GDP and 70 percent of total exports. Ensuring that resource exploitation is sustainable is critical to long-term prospects for growth and poverty reduction. Although Government policy in this area is fluid and capacity limited, there is general movement towards integrating environmental aspects into all major policies and strategies, implementing programs for environmental management, and subjecting major economic activities to environmental impact studies. The Government will also participate in regional efforts to manage the environment, particularly in tourism, transportation, and water and wildlife conservation. 1997 the Government has adopted an Environment Framework Law and a new Land Law, a Forestry and Wildlife Law reforms followed by the year 2000. At present, key Government objectives include increasing capacity to ensure that regulations are properly implemented, formulating cross-sectoral approaches, and encouraging environmentally and socially sustainable private sector investment.

IDA's sectoral programs (e.g. PROAGRI, National Water I, and Municipal Development) will provide support, as will IFC programs (SEATIP, SME) that aim to support private sector investment in sustainable tourism development and related activities.

Tourism, natural resource management and small enterprise development are all areas that offer particular opportunities for employment, income and participation by women. In cooperation with NGOs, the Government is also supporting women's associations that assist women household heads with weak economic capacity.

Main natural resource management measures cited in the Poverty Reduction Strategy (PRSP) of 2001 - 2005 are:

- Operationalization of the national and local resources inventory system.
- Development and adoption of policies and programs for reforestation and the restocking of wildlife, with the participation of communities and the private sector.
- Re-establishment and rehabilitation of the hunting reserves, forestry and wildlife reserves and national parks.

Other activities with a more indirect impact include: compiling and revising legislation and regulations to enable communities and the private sector to participate in the sector; develop and adopt policies and statutory instruments for the exploitation of forests and wildlife; training technicians in management, monitoring and evaluation skills at the provincial level. Principal implementing measures include the National Council on Sustainable Development; drafting and adopting regulations on environmental standards, CFCs and marine pollution; draft and adopt legislation on (a) territorial planning and zoning and (b) environmental crimes.

Capacity-building in environmental management at local level are aiming to ensure the active participation of communities and local bodies of public administration and municipalities in the management of natural resources. Principal measures include capacity-building programs for communities in natural resource management, with priority given to rural areas at greatest risk from environmental degradation; programs of capacity building for municipal bodies and local state administration in the management of the urban environment.

2. Global Environmental Objective

The project aims to support the conservation and sustainable use of the biological diversity, in particular species and ecosystems of global significance, and of the wider natural resources within the five large transfrontier conservation areas (TFCAs) that constitute the target region. One specific objective is to increase the size, representativeness and connectivity of the network of PAs, by bringing additional priority areas under conservation management, either as official PAs or as community conservation areas (see Table 1 of main text). The project adopts an integrated ecosystem management approach aimed at preserving large areas of intact natural habitat spanning altitudinal and climatic gradients and encompassing important ecological features such as wildlife migration routes and water courses. The TFCAs include both core protected areas and areas which are not formally protected but provide essential ecological linkages as well as support for rural livelihoods through sustainable use of biodiversity resources. The TFCAs include some forest areas, the preservation of which will help to address GEF's climate objectives. Reducing land degradation and preserving transboundary watersheds will help support GEF objectives for management of land & water, and international waters. The GEF support will enable the project to achieve specific global benefits such as effective international cooperation for protection and management of transboundary biodiversity and ecosystems, monitoring the impacts of tourism development and conservation activities on the global biodiversity value of the areas; developing and testing models for ecosystem scale biodiversity management; and communication and dissemination of results to a world wide audience. It will also support the achievement of important GEF goals by enhancing aspects of the project such as community empowerment and benefits, improved management of PAs and incorporating biodiversity conservation into local land and resource management plans and practices (see following section for details).

3. GEF alternative

Enabled by GEF support, and in partnership with the private sector, IDA is helping the Government of Mozambique to develop a framework for conservation of globally significant biodiversity through forestry and wildlife management in the Transfrontier Conservation Areas (TFCA). The joint GEF-IDA project will develop and refine mechanisms to promote biodiversity conservation along with environmentally and socially sustainable development in the TFCAs. Integrated management of the TFCAs will help to mobilize the economic value of these landscapes and of their natural resources for the benefit of local communities and the nation at large while preserving their global biodiversity value.

The conservation aspect will be centered on improved management of Protected Areas - existing and new PAs, including community reserves- and the important ecological linkages between them (e.g. migration corridors and buffer zones). The incremental GEF funding will greatly enhance and expand the achievement of these objectives by providing essential resources for all aspects of establishing and managing PAs, including identifying and monitoring priority areas, species and functions, partnership with local communities, and restoration of damaged or depleted areas and populations.

The economic development aspect will be centered on attracting private sector investment in environmentally sustainable tourism, with joint ventures and other mechanisms to involve and ensure benefits to local communities. The selection of tourism reflects the natural assets and comparative advantage of the TFCAs, as well as the potential for synergies between tourism development and conservation objectives. The project will not provide general support for local development or community-based natural resource management. However, within the constraint of available resources, the project will also provide some targeted support for other types of community-based natural resource management and enterprise development that directly support the conservation and tourism development objectives of the TFCAs. This includes mitigation of potential negative environmental and social impacts of tourism (e.g. increased demand for fuelwood; reduced access to important livelihood resources), and measures to encourage and support community conservation of areas where tourism development is not likely to provide a sufficient incentive. Project implementing agencies will also encourage other donors and interested parties to provide complimentary support for broader community development initiatives that are consistent with these objectives

As in the first phase project, institutional development and capacity strengthening will be an essential element. However, in this second phase, the main emphasis will be on capacity strengthening at the Provincial and local level. This is consistent with the decentralization policy of the GOM, and reflects the recognition that decentralization – when accompanied with appropriate empowerment and capacity building – is an important element in improving natural resource management and associated poverty reduction. Capacity strengthening for central government will emphasize its role in

establishing a supportive and enabling environment, through appropriate, effective and transparent policies, regulations and incentives.

In addition to their biodiversity importance, the five TFCAs that collectively encompass the target area for this project²⁶ have strong potential for nature-based tourism development that enables sustainable non consumptive uses of biological diversity according to GEF's alternative program objectives in this focal area. They have been identified as Priority Areas for Tourism Development (PATI's) in the Mozambique Strategic Plan for Tourism Development and are among the areas considered to be of particular interest under the IFC's Southeast African Tourism Investment Promotion (SEATIP) program, currently under preparation. The tourism development and conservation objectives are intended to be synergistic. However, in order for the development to be environmentally sustainable and to contribute to local livelihoods and economic development, it must be planned and monitored, and the incentive and regulatory frameworks must support and favor responsible tourism and discourage exploitative tourism. Incremental GEF support will enable the government and other stakeholders to identify and implement actions needed to ensure that tourism and related development in the TFCAs follows this sustainable, biodiversity-friendly approach.

To help meet the conservation and sustainable development objectives of the target TFCAs, the project will provide strategic assistance for capacity building within the Ministry of Tourism and other government institutions, particularly at the local level where key decisions are made and actions are taken that either support or undermine biodiversity and ecological systems.

4. Project Description

Maintaining large, intact natural ecosystems and ecological linkages that span national borders is an important goal for biodiversity conservation in southern Africa. At the same time, GOM policies and objectives call for the rich natural resources of these areas to be used in a sustainable way to contribute to improving the livelihoods and economic development of communities living in these areas. The five TFCAs to be supported under this project will contribute to these goals by creating and managing large multiple-use conservation areas in Mozambique with significant transboundary biodiversity linkages. Environmentally sustainable tourism development has the potential to link the conservation and development objectives of the TFCAs by providing an economic alternative to unsustainable, destructive use of natural resources, as well as a direct economic incentive to maintain the natural ecosystems and their biodiversity. The current project represents the second phase of a long term program to support the establishment of and management of TFCAs in Mozambique.

²⁶ Greater Limpopo TFCA; Lebombo TFCA, and Chimanimani TFCAs are already declared through formal Heads of State agreements; Zimoza TFCA will be declared shortly; Niassa-Cabo Delgado TFCA is at early stage of identification

Component 1 : Strengthening Policy, Legal and Institutional Framework for TFCAs (\$3M) - IDA : \$2M ; GEF: \$1M

This component will support activities to strengthen the enabling environment for implementation of TFCAs, including regional collaboration for protection and management of unique transboundary resources, establishing supportive policies and legislation (including community land and natural resource ownership and use rights), promoting interagency collaboration and vertical linkages between central and decentralized government levels, and building effective institutional structures for management of conservation areas. This component focuses on policy, legal framework and institutional structures, while Components 3 and 4 address other aspects of institutional capacity building, such as capital investment, training and operational support. Specific activities to be supported will include: participation in transboundary coordination meetings and committees; development of a national conservation policy and updating PA legislation, and institutional restructuring of the National Directorate of Conservation Areas (DNAC) to improve its effectiveness, efficiency and financial sustainability.

Component 2 : Integrated Development Planning (\$3.2M) - IDA: \$3.2M; GEF \$0

This component will support the preparation of integrated development planning (IDP) in each of the five TFCAs, which will serve as the guiding framework for both conservation and development. The main outputs of the IDP process are “macro-zoning” plans that identify priority areas for conservation, tourism development and other types of land and resources uses, followed by finer scale management planning within these zones. The macro and local plans will be used to identify priority sites and activities to be supported under Components 3 and 4. The general IDP approach will be tailored to the specific needs of each of the TFCAs, which are at different starting points. Ultimately IDPs are to be integrated into provincial, district and local development plans. Specific activities to be supported will include: data collection and analysis (including GIS); Strategic Environmental Assessment; awareness-raising and communications; capacity building and skills development for the IDP process; preparation of IDPs in each of the five TFCAs, including development of macro-zoning and local plans; formal adoption of the plans through an appropriate legal instrument; and identification of investment priorities

Component 3 : Community and Private Sector-Led Tourism Development (\$.2M) - IDA : \$7.9M; GEF: \$1.3M

This component will promote and support development of sustainable tourism and directly related economic activities within the TFCAs. The emphasis is on enterprises that involve a business partnership between communities and private sector investors/operators (e.g.: joint ventures, community leasing site to tourism operator, community hiring operator to manage its property, etc.). Given the limited resources and the large geographic areas involved, the project will focus strategically on sites identified through the IDP process as having high potential for sustainable tourism development. The project aims to enhance and facilitate strong community/private sector partnerships

by ensuring that each party makes a significant and complementary contribution to the enterprise. The component comprises two subcomponents:

- 1) ***Support to communities for tourism development.*** including community land demarcation and registration; participatory local land use planning; legal services; community mobilization and organization; support for development of contractual partnerships between communities and private sector (including mechanisms to arbitrate and resolve contractual disputes); “tourism literacy” and specific skills training; and a Community Tourism Grant Facility to help communities enhance their attractiveness as business partners. A limited amount of support will be provided for other natural resource management and development activities that are necessary to achieve sustainable tourism objectives.
- 2) ***Improving the environment for private sector tourism investment.*** including: improved procedures for land allocation (concessions) within TFCAs; rehabilitation or provision of priority infrastructure; awareness raising, technical assistance and training for the private sector (e.g., relating to ecological management, biodiversity conservation, and community partnership); and strengthening key agencies to work more proactively and positively with the private sector.

Component 4 : Biodiversity conservation and Protected Areas management (\$ 10.7M:
IDA \$4.4 M; GEF \$6.3 M

This component will support the identification, monitoring and protection of the most significant and vulnerable biodiversity assets within the TFCAs, mainly through the establishment and management of a network of core protected areas (PAs). These will include both formal PAs (National Parks and Reserves) under the direct management of the DNAC, and informal PAs such as community conservation areas and (where appropriate) private reserves which are not used for tourism development. The Component will consist of three subcomponents:

- 1) ***Biodiversity surveys, inventories, monitoring and applied research:*** Technical and financial assistance to identify and monitor nationally and regionally important biodiversity sites, assets and ecological linkages within the TFCAs; research to support conservation and management needs (e.g. sustainability of biodiversity use, reducing human/wildlife conflicts and improved monitoring methods).
- 2) ***Biodiversity conservation in formal Protected Areas:*** Technical assistance, training, capital investment and operational support to DNAC for developing and managing core PAs within the TFCAs. To make the most of the limited project resources, the priority will be on: (i) investments and recurrent costs that will have the greatest impact on maintaining and improving the global biodiversity

values of these areas and improve DNAC's relationships and partnerships with local communities (particularly for GEF funds); and (ii) infrastructure and other investments and activities needed to stimulate and monitor/regulate tourism development and to enhance the long term sustainability of the conservation areas. Specific activities include: preparation and updating of PA management plans for existing and proposed PAs; rehabilitation and development of priority infrastructure; procurement of goods and equipment for PA management; community liaison and extension work; training and other capacity building for protected area staff; technical assistance for specific needs (e.g. concession management, long term financing mechanisms, infrastructure design, etc.); logistical support for wildlife restocking; and incremental support for essential operating costs on a declining basis.

3) ***Community-based conservation:*** assistance and incentives to local communities for conservation of high priority biodiversity assets on their own lands, including (in areas where nature-based tourism is unlikely to provide sufficient revenues and benefits to be an effective incentive), assistance for selected development activities (such as sustainable agriculture and improved social infrastructure) on the basis of concrete conservation actions embodied in agreements between DNAC and community representatives. Activities include: development and implementation of local land and resource management plans; setting harvesting quotas and restricting outsiders' access; support for enterprises based on sustainable use of abundant and resilient species; targeted natural resource management initiatives directly linked to needs or opportunities created by tourism development or conservation activities; and other economic or social development assistance linked to specific conservation agreements and actions.

Component 5 : Project Management, Communications, and Monitoring and Evaluation (\$3.4 M) IDA : \$2.5 M ; GEF: \$0.9 M

This component will strengthen the capacity of the TFCA Unit to coordinate TFCA program, and support its related operating costs, including recruitment of field-based TFCA Coordinators. Other activities include: design and implementation of an M&E system to track and assess project implementation and impacts, and a system for adaptive management based on this information; and development and implementation of an information system and a communications strategy to ensure timely flow of accurate information among the implementing agencies, and to increase awareness and understanding about ecosystem management and TFCAs nationally, regionally and worldwide.

Component	Cost category	US \$ Millions	Domestic benefit	Global benefit
1. Strengthen the institutional and policy framework for TFCA <ul style="list-style-type: none"> Continued intern. collaboration Development of a national conservation policy and updating PA legislation Institutional restructuring of DNAC 	Baseline (B)	2.4	<ul style="list-style-type: none"> Improving tourism flow from South Africa to Mozambique Conservation policy and PA legislation serving national needs DNAC restructured for greater efficiency and sustainability; better able to develop partnerships with other stakeholders 	<ul style="list-style-type: none"> Modest degree of regional cooperation for conservation of biodiversity and transboundary ecosystems
		0.7		
		0.5		
		1.2		
<ul style="list-style-type: none"> Continued international collaboration Development of a national conservation policy and updating PA legislation Institutional restructuring of DNAC 	GEF alternative (A)	3.4	<ul style="list-style-type: none"> Mozambique better able to participate effectively in international negotiations, agreements, and collaborative programs for management and conservation of transboundary natural resources; reduced conflicts DNAC effectively structured to support large scale ecosystem based management 	<ul style="list-style-type: none"> Development and approval of effective international conservation policies, agreements and protocols and supporting national institutional and legal frameworks for management of transboundary biodiversity assets and ecosystems Increased integration of biodiversity objectives in relevant sector policies. Promotion of the conservation of unique endemic Southern Africa Flora and Fauna in large ecosystems
		1.2		
		0.75		
		1.45		
	Increment (A – B)	1		
2. Integrated Development Planning. <ul style="list-style-type: none"> Capacity building for the IDP process Preparation of IDPs in each of the five TFCA Participatory spatial planning at the “macro” level 	Baseline (B)	3.6	<ul style="list-style-type: none"> IDP process provides an agreed framework to steer and support sustainable development in TFCA areas, including high value tourism development. Decentralized development planning process strengthened and improved Increased capacity built within and outside government in various IDP-related skills (GIS, land use planning, community mobilization, Strategic Environmental Assessment, etc.) 	Identification of zones containing globally significant biodiversity
		1.2		
		1.3		
		1.1		
<ul style="list-style-type: none"> Capacity building for the IDP process Preparation of IDPs in each of the five TFCA Participatory spatial planning at the “macro” level 	GEF alternative (A)	3.6	<ul style="list-style-type: none"> IDP process provides an agreed framework to steer and support sustainable development in TFCA areas, including high value tourism development. Decentralized development planning process strengthened and improved Increased capacity built within and outside government in various IDP-related skills (GIS, land use planning, community mobilization, Strategic Environmental Assessment, etc.) 	Identification of zones containing globally significant biodiversity
		1.2		
		1.3		
		1.1		

Component	Cost category	US \$ Millions	Domestic benefit	Global benefit
			land use planning, community mobilization, Strategic Environmental Assessment, etc.)	
	Increment (A – B)	0		
3. Community and private sector-led conservation and tourism development.	Baseline (B)	8.8	<ul style="list-style-type: none"> Local land and resource use plans developed to promote and support sustainable economic development in impoverished rural areas. Rural communities empowered and welfare increased through demarcation and registration of community lands Community associations formed for better management of natural resources and related economic development Increase in community-based tourism enterprises and income Promotion of private sector investment through improved business Mitigation of negative environmental and socio-economic impacts of tourism development 	<ul style="list-style-type: none"> Increased likelihood of conservation of globally important biodiversity and ecosystems as a result of increase in areas allocated for environmentally sustainable tourism
<ul style="list-style-type: none"> Participatory management planning in priority areas Support to communities for tourism development Improving the environment for private sector investment 		0.9 2.5 .5.4		
	GEF alternative (A)	10.1	<ul style="list-style-type: none"> Improved information and capacity to incorporate biodiversity conservation, environmental sustainability and ecological restoration in local land use planning Accelerated demarcation and management of priority community tourism areas Improved incentives for private sector investment in ecologically and socially sound tourism development 	<ul style="list-style-type: none"> Reestablishing threatened and endangered populations of regionally and globally important species Maintenance of transboundary ecosystems Increased commitment by governments, rural communities and private sector to environmentally sustainable tourism as a land use in transfrontier areas
<ul style="list-style-type: none"> Participatory management planning in priority areas Support to communities for tourism and related development Improving the environment for private sector investment 		1.3 3.4 5.4		
	Increment (A – B)	1.3		
4. Protected areas conservation and management	Baseline (B)	5.7	<ul style="list-style-type: none"> Rehabilitation and construction of essential infrastructure, and provision of needed equipment for improved PA management Monitoring of socio-economic and environmental developments. Institutional and HR capacity of DNAC strengthened Development of community conservation areas and activities to supplement formal PAs 	<ul style="list-style-type: none"> Basic environmental data collection (biodiversity inventories), Addition of new protected areas that strengthen regional linkages Increased effectiveness of Mozambique as a partner in trans-boundary conservation activities
<ul style="list-style-type: none"> Development and updating of PA Direct investments to improve management of PAs within TFCAs Biodiversity and ecological surveys, monitoring and 		0.1 2.8 0.9 0.7		

Component	Cost category	US \$ Millions	Domestic benefit	Global benefit
applied research <ul style="list-style-type: none"> • Community conservation (capacity building and incentives) • Training and other capacity building for protected area staff • TA for specific organizational development issues • Support for essential operating costs 		0.3 0.3 0.3	<ul style="list-style-type: none"> • Enhanced sustainability of DNAC 	
<ul style="list-style-type: none"> • Development and updating of PA • Direct investments to improve management of PAs within TFCAs • Biodiversity and ecological surveys, monitoring and applied research • Community conservation (capacity building and incentives) • Training and other capacity building for protected area staff • TA for specific organizational development issues • Support for essential operating costs 	GEF alternative (A)	12.5 0.35 5.7 1.6 2.75 0.55 0.7 0.55	<ul style="list-style-type: none"> • Effective monitoring of ecological and socio-economic impacts of conservation and development activities in TFCAs • Increased capital investment in infrastructure, equipment and operations for more effective and comprehensive PA management (including visitor centers, etc) • More effective operation of DNAC and greater progress towards long term sustainability • Expanded community conservation program, involving and benefiting larger areas and numbers of communities 	<ul style="list-style-type: none"> • Maintenance of genetic resources including transboundary gene flow • Contributing to development of scientific based ecosystem management • Enhancing resilience of ecosystems to climate and other changes • FA management more effectively incorporates transboundary elements • Conservation of a unique marine habitat in terms of diversity, species richness, and uniqueness
	Increment (A – B)	6.3		
5. Project Management, Monitoring and Evaluation <ul style="list-style-type: none"> • Project coordination and management, including technical and administrative staffing and operating costs of the TFCA Unit 	Baseline (B)	2.9 1.4	<ul style="list-style-type: none"> • Strengthened institutional capacity for TFCA management • Smooth and efficient project implementation and effective management and accounting of project finances • Basic information on TFCAs available through website and publications • Adaptive project 	<ul style="list-style-type: none"> • Increased awareness of national and international benefits of TFCAs • Information on project objectives and information available to interested parties outside country

Component	Cost category	US \$ Millions	Domestic benefit	Global benefit
<ul style="list-style-type: none"> An information management system and a multimedia communication strategy A monitoring, evaluation and adaptive management system to track project implementation and results 		0.4	management through use of M&E results	
		1.1		
<ul style="list-style-type: none"> Project coordination and management, including technical and administrative staffing and operating costs of the TFCA Unit An information management system and a multimedia communication strategy A monitoring, evaluation and adaptive management system to track project implementation and results 	GEF alternative (A)	3.8 1.8	<ul style="list-style-type: none"> Improved responsiveness and flexibility of project management through analysis of M&E results Pro-active communications strategy generates greater interest in and support for TFCAs among national and local stakeholders 	<ul style="list-style-type: none"> Increased awareness of biodiversity benefits and continuous monitoring of large scale ecosystem functions and linkages Worldwide dissemination of information and improved understanding of how to manage large scale, transboundary biodiversity resources and ecosystems Knowledge exchange benefiting the global conservation community
		0.5		
		1.5		
	Increment (A – B)	0.9		
PPF	Baseline	0.6		
	GEF Alternative	0.6		
Total Program benefits (Summary)	Baseline (B)	24,0	Enhance the sustainability of local livelihoods in the target areas	Maintain large, globally significant transfrontier ecosystems intact with their biodiversity and ecological linkages
	GEF alternative	34.0	Manage the Mozambique portions of these TFCAs as multiple-use conservation areas	Improved biodiversity conservation and maintenance of globally important assets.
	Increment (A – B)	10		

Technical Annex 8: GEF STAP Review and Response to Review

COUNTRY: Mozambique

PROJECT: Transfrontier Conservation Areas and Tourism Development Project (TFCATDP)

DATE: 10 May 2004

REVIEW BY: Janis Bristol Alcorn

COMMENTS BASED ON REVIEW OF: Project Brief, Technical Annexes 1, 3, 4, 6, Description of TFCAs, and TFCATDP Logical Flow Chart

SUMMARY: TFCATDP is an exciting, ambitious project that is based on excellent analyses, and has been well-planned for meeting realistic goals over the next five years as part of the 15 year cycle of work that will be required to reach the long term conservation goals. As a second phase project, it builds on the base and lessons learned from an initial five year project. Recognizing constraints, the need for resolving tenurial rights and boundaries of communities within TFCAs, and the demand for market-driven income generation, this phase two project takes the next logical steps without rushing toward overly ambitious goals. Rather than being a diffuse regional project, it wisely focuses on one country - Mozambique, and its collaboration with seven neighboring countries through transfrontier zones important for maintaining Mozambique's (and neighboring countries') biodiversity.

The project recognizes that conservation success depends not only on spatial corridors through which wildlife and marine species move during their lives, but also on the institutional and market relations between protected areas and their socio/political-economic environment. It realizes tourism is not a magic bullet and retains options for other types of assistance for communities where necessary. The attention to Monitoring and Evaluation framework for documenting and analyzing project impacts, as well as for promoting communication, is excellent, and well thought out.

The five components cover the full range of modalities necessary to reach achievable goals: policy and institutional strengthening; integrated land use planning (under IDA); linking community benefits to tourism development; protected areas management; and project management, communication and M&E.

Within this framework, special attention to cross-scale institutional linkages could improve the project's chances for success. The project faces endemic governance issues (mentioned tangentially in the documents) and should attempt to link with other Bank, UNDP, and donor projects that are addressing governance issues in Mozambique and its neighboring countries.

DETAILED COMMENTS:

1. Scientific and technical soundness of the project: TFCATDP is based on sound social and ecological analyses of the problems and feasible solutions for conserving biodiversity while achieving development in one of the world's poorest regions.

The project recognizes that conservation success depends not only on spatial corridors through which wildlife and marine species move during their lives, but also on the institutional and market relations between protected areas and their socio/political-economic environment. The second phase has been well-prepared by analyzing results from the first phase. It realizes tourism is not a magic bullet and retains options for other types of assistance for communities where necessary. The attention to Monitoring and Evaluation framework for documenting and analyzing project impacts, as well as for promoting communication, is excellent, and well thought out.

The documents do not provide sufficient information about the types of "contracts" that will be drawn up between communities and (Who? – project? Nation? Each other? The tourism company? the NGO?) that will bind the parties to meeting conservation objectives. So I could not evaluate the soundness of that element, but assume that the Bank will ensure that these covenants are drafted based on lessons learned from past attempts to use conservation contracts and on an analysis of options most likely to result in accountability of both/all parties in the Mozambiquan context.

My sole concern is that special attention to scale relations must to be built into the management TORs, and followed carefully by the indicators and M & E framework. The project area covers over 10 million hectares, crosses seven countries, and includes coastal and terrestrial situations. Project staff's attention to the vast geographic scale of the project, the globalized market, and to their particular component's scale, could overwhelm opportunities for paying critical attention to actions' "fit" to the governance relations between nation-states and communities, and the "fit" to the local ecologies, and thereby fail to create long term sustainability. One size does not fit all and cross-scale links are not easy to maintain. Good two way communication across the scales is essential. Cross-scale communication needs to be bi-directional to be effective, and needs to have clear nodes that reflect broad knowledge of situation at that particular scale. The local nodes need to be nurtured, as they are often weak and marginalized voices. This will require the project to pay more attention to how local voices will share information upward and laterally. The recent "Bridging Scales" conference of the Millennium Assessment offered some insights into the problem as it was clear that even when a commitment to cross-scale sharing is shared, the vocabulary and the interests of voices from different scales make the translation difficult. One possibly interesting project idea from Alaska -- a knowledge cooperation network, by which local people and scientists share information about caribou herds with each other. The website is www.taiga.net This sort of "technical" sharing, if done right, can create new informal networks that cross scales.

Other lessons for cross-scale linking to improve local management would focus less on knowledge and more on strengthening civil society's role in collaborating for conservation. One example would be the Swedish efforts to build cross-scale links (see Carl Folke for details). Another example would be Field Museum's efforts in Pando, Bolivia, to build cross-scale links to conserve biodiversity through similar set of project components in a similar situational context (low population density, poverty, high biodiversity regional corridor, tourism

potential, poor roads, etc). Field has initiated a bottom-up approach in a large region (over 60,000 km²) – nurturing local ownership and communication links by working with local governments, individual large landowners, farmers federations, and communities to do land use planning and development of local regulations, etc; and from there scale up to regional land use planning that incorporates local land use plans *already* developed with communities to fit national regulations for protecting the environment. This approach reverses the order of focus, from grassroots upward (but shaped by national regulations about conservation and land use) rather than developing broad plans that are not created consensually with landowners based on existing land use and options. The project includes similar components: clarifying tenure, land use planning and landscape management. The project might also learn from the governance challenges and lessons learned from the LIFE program with conservation areas in Namibia – a transitional democracy with governance issues and histories similar to those faced in Mozambique.

2. Global benefits &/or drawbacks. Although the project documents did not describe the global biodiversity values of the project areas, the protected areas linked by the TFCA matrix are among the most important in the world for maintaining wildlife, forests and marine biodiversity unique to East and Southern Africa. The project smartly embeds attention to these globally important marine and terrestrial protected areas in a broader business and governance matrix of biodiversity-friendly regulations, incentives, and markets, while maintaining attention to preventing negative social impacts.
3. Fit with GEF goals, strategies and priorities, fit with relevant conventions. The project fits well with GEF goals, strategies and priorities, as well as relevant conventions.
4. Regional context. TFCATDP is a transfrontier project based on a regional vision incorporating both biodiversity and the tourist market – both of which are in fact transfrontier in nature. It would be useful to include a map in the project documents, showing project area, national borders, known tourist routes, and protected areas – to quickly orient readers who are unfamiliar with the area.
5. Replicability. . The lessons learned from this effort to use private sector tourism to generate local economic and social benefits will support replication/adaptation in other areas of the world. Nature tourism is one of the few businesses that offer potential development benefits in remote areas that are marginal for agricultural and other sectors. And rural communities are generally eager to participate in tourism ventures but unfamiliar with how to manage the income flow and control negative impacts. The project documents recognize and make sound, good faith efforts to address the fact that investments must be targeted carefully so that tourism does not further marginalize local communities – making them the objects of tourism, depriving them of their existing resources, bringing disease, and straining the social fabric of communities. The particular institutional aspects of transborder park management will be replicable to other parts of

Africa, but generally will not be replicable in other regions due to major regional social, historical, political, demographic, and ecological differences.

6. Sustainability. The project includes an excellent set of components that cover the range necessary to support sustainability – policy reforms, institutional strengthening, capacity building, communication, links to private sector, and monitoring & evaluation.
7. Linkages to other focal areas. I do not have sufficient information to comment on whether this project contributes to other efforts to mitigate/prevent global climate change, etc.
8. Linkages to other programs and action plans at regional or subregional levels. The project is designed to complement other programs, projects and action plans at regional, national, and provincial levels.
9. Other beneficial or damaging environmental aspects. The land use planning will yield additional environmental benefits if the land use plans are incorporated into broader development planning and regulation as envisioned under the project.
10. Degree of involvement of stakeholders. Because the project is a phase two project, I assume that the first phase has provided adequate opportunity for identifying and sorting out how to best involve stakeholders. From the documents provided, I could not ascertain the degree to which a range of local and international tour operators and their representative organizations have been involved in the design, but they will be on significant committees during the project.

The project has involved government as a key stakeholder, at national, provincial and district levels. The role of local community governments (in their various forms in different places) is unclear, but they should also be incorporated as key stakeholders, as well as analyzed for their weaknesses when developing the project implementation strategy.

The project recognizes that good government institutions are essential for managing biodiversity, and for managing development so that biodiversity is not destroyed in the development process. However improved government agencies are not sufficient for achieving conservation. Rural people can be strategic allies for conservation, weak victims of development (and conservation) or threats to conservation. The project has the opportunity to develop positive policies and processes for recognizing the rights of thousands of people currently living inside protected areas, while protecting the rights of communities to regulate the activities and immigration of outsiders, and collaborate on conservation in ways that meet conservation and human development needs. This is one of the project goals.

The documents, however, mention that the community-level work was not successful during the first phase, and it is unclear to what degree the analysis of lessons learned included discussions in focus groups or other efforts to incorporate local opinions about improving local stakeholder involvement in this next phase.

Such efforts to incorporate the voices representing community interests and analysis of the issues need to be included in Component 1 (policy) as well as in project implementation committees.

In addition to "contracts" for communities, a formal and efficient process for lodging and handling complaints and recourse needs to be developed for the communities to use when they feel the tour company or the project has damaged them (as this is a potential risk for the project).

The role of, and interface with, influential international NGOs (conservation and others sectors) working in these same geographic areas is not addressed in the documents.

11. Capacity building. The project includes significant and appropriate focus on building capacity of DNAC (the agency responsible for protected areas in Mozambique).

Community capacity building is also mentioned, presumably this will include assistance and facilitation with decision-making and governance related to transparent income sharing, financial management, community-run projects, and accounting. Relevant lessons could be learned from Tanzania's experimentation (WWF, GTZ, DFID funded) in building community level governance capacity as part of their community-based programs to share tourism and hunting benefits on the east and west sides of Selous (which is part of one of the TFCA's in this project).

Capacity building will also result from training all participants in how to use M&E for adaptive management decisions and how to use M&E as a basis for the good communication flow that is essential for good project management.

It is not clear to what degree the private tour companies will receive capacity building to enable them to better interface with communities in ways that generate community cooperation and benefits.

Both communities and the tour companies need to be trained in the process (to whom, how, when, etc?) by which communities will have recourse to improve the situation if they are displeased with a tour company's conduct, or the project in general. This recourse element and training in how to use it should be added, in not already included in the project's plans.

12. Innovativeness. The conservation project (with IDA funding) is innovative in its incorporation of large scale land use planning (IDP in this case) recognizing that the landscape matrix incorporates protected areas as well as the "interstitial areas" around and between them. This is key to protecting the integrity of protected areas in the long term.

It is also refreshing to see the project's realistic approach to working with the tourism industry – as it attempts to build long term sustainability by harnessing market energy to *real* community benefits linked to community "buy-in" to conservation via attention to local capacity building and capital needs, and via targeting sites prioritized for their likelihood to generate the necessary level of tourist traffic to provide the profits that will keep business running.

RESPONSE TO STAP REVIEWER'S COMMENTS

1) While generally praising the project objectives and design, the STAP Reviewer's main concern was the need to indicate how the project's design (including monitoring and evaluation) will support cross-scale linkages. The importance of such linkages is clear, given the different scales at which project activities, decision-making processes and activities will occur. From an institutional perspective this ranges from the international (involving high level political committees and technical cooperation across national borders), to the community level; from a geographic perspective it ranges from national coverage (tourism and conservation policies and strategies) to protection, management and development of specific priority sites within the TFCAs. In response to these comments, the Project Brief has been revised to provide more information on the objectives of, and mechanisms for, ensuring two-way exchange of information and knowledge, communication and participation in decision-making. The principal mechanism for this is the Integrated Development Planning (IDP) process which lies at the heart of the project. The IDP is a participatory planning mechanism through which local priorities and opportunities are identified in the context of, but not dictated by, national strategies such as the Strategic Plan for Tourism Development. For example, while the general locations of the TFCAs and the Priority Areas for Tourism Development (PATI's) have been identified at the national level, their actual boundaries and their internal zoning will be determined by local stakeholders through the IDP process. The project includes a number of measures to empower and equip local stakeholders to play this role, and thus be responsible for directing their own development. At the same time, there is the need to incorporate larger scale issues such as ecosystem functions, globally important biodiversity assets and regional tourism routes within the planning process. Therefore, IDP also involves national and regional stakeholders through mechanisms such as Strategic Environmental Assessment and targeted support and incentives for activities that are consistent with higher level objectives and strategies. The interaction among these different levels of stakeholders within the IDP process provides the cross-scale linkage which the Reviewer rightly identified as essential to the success of the project. This will be supported by a communications strategy which provides for two-way flow of information among the stakeholders at different levels. As recommended by the Reviewer, the project's M&E plan will include indicators to ensure that there is a match between levels of decision-making and activities and the scale on which decisions and actions are needed. The project team has noted and incorporated Reviewer's point regarding the need to ensure that Component 1 (strengthening the enabling policy/legal/institutional framework for TFCAs) addresses community rights and interests.

2) The Reviewer noted the need for more information regarding the types of agreements that will be drawn up between communities and private sector tourism operators, and/or DNAC, to create binding commitments to meeting conservation objectives. While formal agreements are envisioned, the form of those agreements cannot be determined at this time. Ongoing preparation work is reviewing regional experience with such agreements to identify potential models and pitfalls. Component 3 of the project will

include technical assistance for developing model agreements, as well as legal assistance to communities to enable them to protect their interests and negotiate effectively with prospective investors. The Reviewer's point regarding the need for a mechanism for community groups to raise grievances, and to have recourse to mechanisms to have them addressed has been noted and incorporated.

3) The Reviewer noted that the project documents did not adequately describe the global biodiversity values of the protected areas linked by the TFCA matrix (while also noting that they are among the most important areas in the world for maintaining wildlife, forests and marine biodiversity unique to East and Southern Africa). While space constraints limit the specifics that can be provided, the appropriate descriptions have been expanded to better reflect the global biodiversity values.

4) The Reviewer indicated that the role of local community governments should be made more clear. It is not entirely clear what this refers to, as the project description emphasizes the involvement of Provincial and District administrations and local governments. However, this aspect will be made clearer when the Environmental and Social Management Framework for the project (currently under preparation) is completed.

5) In response to the Reviewers comments, additional information has been provided regarding the interface with international NGOs working in the same geographic areas.

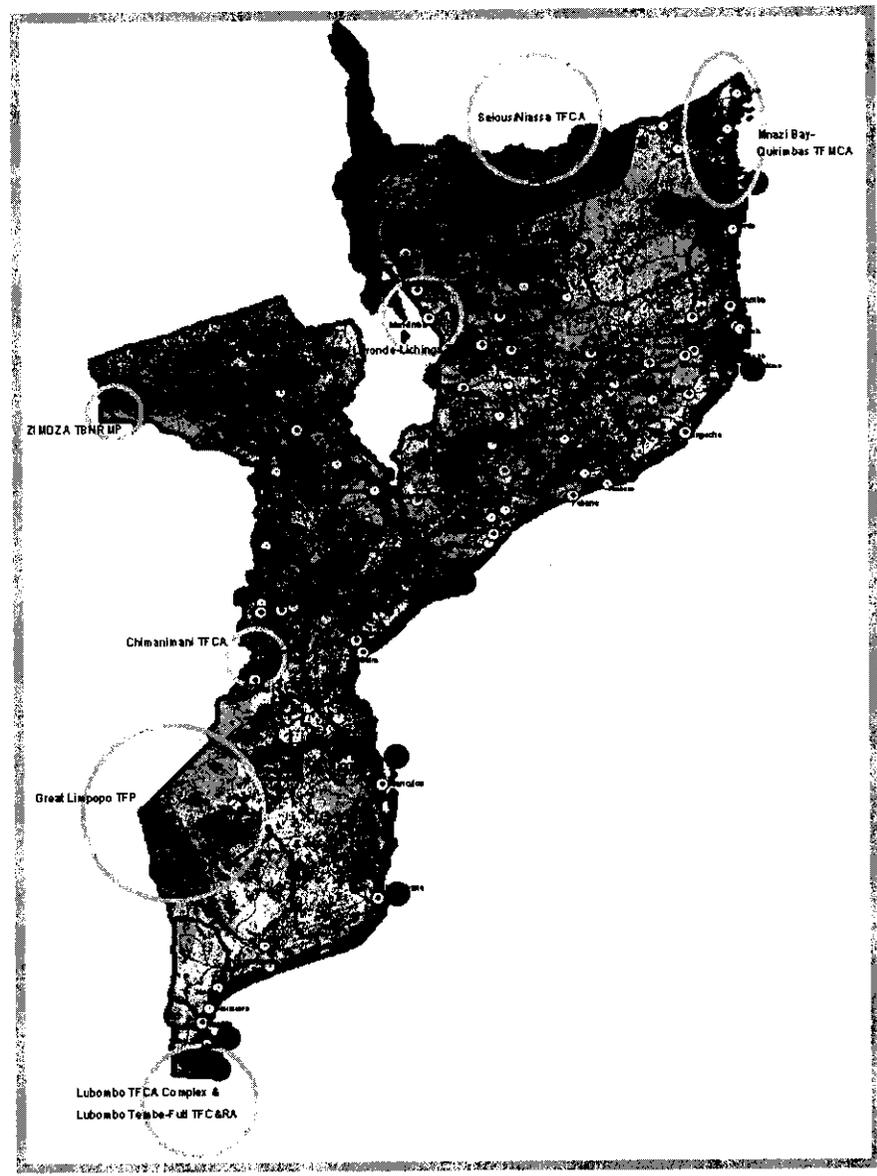
6) The project team notes that the Tanzanian (e.g. Selous) experience with community-based programs to share tourism and hunting benefits has been taken into account in the project design, along with similar experience from other countries including Zimbabwe, Zambia, Namibia, South Africa, etc.

7) The Project Brief has been revised to better reflect the Reviewers' point that both communities and tourism companies will require training to enable them to develop and implement effective and mutually beneficial partnerships.

8) At the Reviewer's suggestion, an informal map has been added to the Project Brief to help orient readers. It should be noted, however, that the map in the Project Document will be a formal map provided by the appropriate unit within the World Bank.

Technical Annex 9: Description of TFCAs

Locations of TFCAs in Mozambique
(from Strategic Plan for Tourism Development in Mozambique, 2004-2008)



Proposed Niassa-Cabo Delgado TFCA encompasses Selous-Niassa TFCA and Mnazi Bay-Quirimbas TF MCA

Great Limpopo TFCA

The Great Limpopo Transfrontier Conservation Area (GLTFCA) comprises a matrix of land use systems centered on core conservation areas. The TFCA as a whole covers almost 90,000 km². Most of the attention to date has focused on the 35,000 km² section which comprises the Great Limpopo Transfrontier Park (GLTP). The GLTP links the Limpopo National Park in Mozambique, Kruger National Park in South Africa, and Gonarezhou National Park, Manjinji Pan Sanctuary and Malipati Safari Area in Zimbabwe, as well as two areas between Kruger and Gonarezhou (the Sengwe communal land in Zimbabwe and the Makuleke region in South Africa). It was established in December, 2002 when the three Heads of State signed an international treaty to establish the Great Limpopo Transfrontier Park (GLTP) at a ceremony in Xai-Xai, Mozambique. Shortly thereafter, part of the fence between the Limpopo and Kruger National Parks was removed to symbolize the creation of what is to intended become the world's largest wildlife conservation area. One specific objective of removal of this fence is to re-establish historical migratory pathways and dispersal areas for the growing elephant population in Kruger NP.

The GLTFCA also includes the Banhine and Zinave National Parks in Mozambique, which are separated from the GLTP by substantial stretches of non-protected "interstitial" area. Realizing the vision for the GLTFCA requires that land and resource use practices in these and other interstitial areas are aligned with the principles of conservation and eco-tourism and are supportive of the objectives for the national parks that are constituents of the TFCA.

Lubombo TFCA

The Lubombo Transfrontier Conservation Area was formalized under the Lubombo Spatial Development Initiative in June 2000. It straddles the border between South Africa's KwaZulu-Natal province, southern Mozambique and Swaziland, stretching from the Lebombo Hills in the west to the low-lying coastal plain of the Indian Ocean in the east. Altogether it measures 4,195 km², of which 2,783 km² (66%) is in Mozambique, 1,095 km² (26%) is in South Africa and 317 km² (8%) is in Swaziland. It includes the biologically rich southern section of the Mozambique Indian Ocean coast, from Inhaca to Ponta do Ouro, which serves as an important refuge for harvestable, endemic and shared fish stocks. Coral ecosystems and turtle nesting grounds are typical examples of threatened biota found in this section of coast. These provide unique and substantial tourism opportunities some of which are being exploited to the extent that there are growing concerns for the sustainability. As this area adjoins a major coastal protected area in South Africa, the Greater St Lucia Wetland Park, that incorporates a Marine Protected Zone, there are good opportunities for regional collaboration in marine conservation and tourism development. This coastal plain supports an unusually high biodiversity by virtue of its position at the confluence of a number of biogeographic

regions. A new Marine Protected Area is proposed under the TFCA, to link with that in South Africa.

Inland, the TFCA is centered on several existing reserves: the Maputo Special Reserve in Mozambique, Ndumo Game Reserve and Tembe Elephant Park in South Africa and the Hlane Wildlife Sanctuary, Mlawula Nature Reserve and Ndzinda Nature Reserve in Swaziland. The Maputo Special Reserve lies about 70 km south of Maputo, stretching from the Machangula peninsula in the north, southward along the coast (through important sea turtle nesting sites) to the Mozambique Channel, with the Rio Futi serving as the western boundary. It is one of the most beautiful and unspoiled natural areas in southern Africa, with habitats including tall sand forest, riverine woodlands, open grassland, marshlands, freshwater lakes, lagoons and sea shore. Three large saline lakes support a wide variety of bird and fish life. The Maputo reserved is believed to be the core area for a coastal population of elephants that ranged south into the area from Kwazulu-Natal (the Tembe Elephant Park and Ndumbo Game Reserve) during the wet season, through the Futi Corridor. In the context of the TFCA, it is proposed to expand the area under protection (through a community-based conservation approach) to include the 900 km² Futi Corridor, securing this migration route and linking these important elephant habitats and populations.

The Lubombo TFCA is also globally very significant for botanical biodiversity, as it falls within Maputaland Center of Plant Endemism. At least 1,100 species of vascular plants have been identified in this area (estimates are that the total number may be as high as 3,000), including at least 4 endemic genera and 168 endemic species. The associated avifauna is also very rich, with over 472 species of birds including 47 endemic or near-endemic subspecies.

The Lubombo TFCA also includes the southernmost Priority Area for Tourism Investment (PATI) identified in the GOM's Strategic Plan for Tourism Development is referred to as the Elephant Coast Zone. It is incorporated as part of a tourist route, the Lebombo Circuit, which links Kosi Bay and the Ndumo and Tembe Reserves and Lake St. Lucia (South Africa), Ponta do Ouro and the Maputo Special Reserve (Mozambique), and Namaacha (Swaziland)..

Chimanimani TFCA

The 2056 km² Chimanimani TFCA links the Chimanimani National Park in Zimbabwe and the Chimanimani National Reserve in Mozambique. The area forms part of the eastern escarpment of the Interior Continental Plateau of south-central Africa. Although relatively small, it is characterized by an exceptionally high diversity of habitats and species, including nearly 1000 recorded vascular plant species (of which 45 are endemic, including five Aloe species), over 160 bird species and 60 reptile species. The Chimanimani massif is recognized as an area of particularly high endemism within the region. Some bird species which inhabiting moist montane forests in Chimanimani are

otherwise considered to be endemic to eastern Africa, highlighting connections between this area and the Eastern Arc mountains of Tanzania.

Despite having a lower formal level of protection, the Mozambique portion is better preserved, representing a relatively intact Afro-montane ecosystem. The Reserve also contains distinctive landscapes, and numerous rivers, streams and waterfalls, which enhance its touristic value.

There are three distinguishable zones within the Reserve at present: a northern zone with relatively high population densities and use, a lowland zone with significant numbers of settlements, and a mountain zone which represents the “essence of Chimanimani” from both a biodiversity and a socio-cultural standpoint (sacred sites, a number of which have been designated as cultural protection areas). The total population of the area is about 66,000, with most people living alongside the main rivers and in the foothills. A workshop in 1999 proposed the establishment of a Core Conservation Zone and Outer Conservation Zone within the TFCA.

The Strategic Plan for the Development of Tourism in Mozambique identifies the Chimanimani as an important tourism destination in the ‘Central Eco-tourism Route’ that connects Beira, Maromeu Reserve, Gorongosa National Park, Gorongosa Mountain, Chimoio, Chimanimani, Lake Chicamba, Manica and Beira. The Chimanimani TFCA is incorporated into the Manica Tourism Zone as a Priority Area for Tourism Investment (PATI) in which emphasis is given to eco-tourism, adventure tourism with backpackers and ‘overlanders’ as the primary target, at least in the short to medium term.

Niassa – Cabo Delgado TFCA

The Niassa Partial Reserve (sometimes also referred to as Niassa Game Reserve or Niassa National Reserve) and its associated buffer areas and coutadas form the largest protected area in Mozambique, as well as being one of the largest areas of protected areas within the vast Miombo Ecoregion (as identified by WWF), which covers approximately 3.6 million km², extending from the Angolan escarpment in the west to the coastal woodlands and forests of Mozambique and Tanzania. The core Reserve is 22,000 km², while the surrounding buffer area is 20,000 km². The Reserve is currently managed by the Sociedade para Gestao e Desenvolvimento da Reserva do Niassa, under a concession from the GOM. This concession includes hunting blocks in areas adjoining the Reserve. To the west in Negomano District, there is an additional hunting concession awarded to Negomano Safari

The Niassa Reserve is recognized as one of the most pristine remaining wildernesses in Africa. It consists mainly of *Brachystegia* (miombo) woodland (50%), interspersed with savannah and wetlands (40% and 5%, respectively). Of particular biodiversity interest are the small, isolated forest communities that occur on the mountains, inselbergs and riparian forests (5% of total area) found throughout the Reserve. There are 21 distinct

vegetation types, and preliminary surveys indicate 191 species of trees and shrubs. It also supports a rich and diverse collection of wildlife—by all reports the greatest concentrations of large animals in Mozambique. An aerial census in 2002 estimated 12,000 elephants (with evidence of an increasing trend), over 9000 sable antelope and thousands of Cape buffalo, Lichtensteins hartebeest, eland and zebra. Also present are smaller populations of numerous other antelopes, hippo, warthogs, and predators including lion, leopard, spotted hyena. Niassa Reserve is also one of the last best refuges for the endangered Cape hunting dog, with an estimated population of 200 animals. Several endemic subspecies found in Niassa Reserve are rare elsewhere (e.g. Boelms zebra, Johnstons impala, Niassa wildebeest), and there is a rich variety of birds including an abundant raptor population and several rare species. The Rovuma river has been listed as an Important Bird Area, with over 370 spp. already identified.

The boundaries of the proposed Niassa TFCA have not been delineated. The initial concept proposed to connect the Niassa Partial Reserve with the Selous Game Reserve in Tanzania. At the same time, there is an ongoing process (led by the Ministry of Environmental Coordination) to promote participatory land use planning and zoning for the coastal zone between the Quirimbas National Park and the border with Tanzania. Possible outcomes of this process include a Transfrontier Marine Protected Zone between Mozambique and Tanzania and conserved area links between the coast and Niassa Partial Reserve and between the Quirimbas National Park and a Marine Protected Zone in Tanzania.

There have also been claims that elephants migrate between Niassa Special reserve and the Quirimbas National Park, leading to suggestions that there should be migration corridors connecting these two protected areas. One ambitious proposal²⁷, is to create a TFCA stretching from Lake Malawi/Nyasa to the Indian Ocean, incorporating designated protected areas in Malawi, Mozambique and Tanzania. That proposed TFCA would include parts of Lake Niassa, the forested areas of the Mandimba District in Niassa Province linked to Liwonde National Park in Malawi, the Niassa Game Reserve linked to Selous Game Reserve in Tanzania, the Quirimbas National Park linked to a similar marine reserve/park in the Mtwara area of Tanzania, and the interstitial areas between these conservation areas. Were this to be realized it would create a TFCA of some 60 000 sq km, making it one of the largest conservation areas in the world and one with very significant conservation and tourism value at local, regional and international levels. However, it seems more likely that establishment of the Niassa TFCA will begin with the terrestrial portion, with the coastal area either being established as a separate TFCA or linked with the terrestrial portion at some time in the future.

In order to realize the potential of the Northern Region, the Strategic Plan for the Development of Tourism in Mozambique envisages that the TFCA would be an integral part of a 'Lake to Coast Route' offering tourists a range of destinations and experiences. The Route connects Pemba, Quirimbas, Niassa Partial Reserve and Lago de Niassa. The

²⁷ (made at a trilateral meeting in May 1999, attended by representatives of the governments of Malawi, Mozambique and Tanzania, as well as development agencies, donors and NGOs)

Strategic Plan also identifies Two Priority Areas for Tourism Investment (PATIs) on either side of Niassa Partial Reserve, at the lake and coast that together with the TFCA and the connecting roads comprise a tourism destination with a unique mix and quality of African diversity. These connecting routes and circuits are incorporated into the Southeast Africa Tourism Investment Program (SEATIP) that is currently being established.

The SADC Spatial Development Initiative is actively promoting the Mtwara transportation route in southern Tanzania, between the Mtwara on the coast and Lake Niassa. It is envisaged that this route will facilitate access to Niassa Partial Reserve from the north and to Selous Game Reserve from the south.

Along the western boundary of the Niassa Partial Reserve there is a community conservation program, Chipenge Tchato that is actively promoting Community Based Natural Resource Management (CBNRM).

The National Directorate for Flora and Fauna of the Ministry of Agriculture and Rural Development (DNFFB) has awarded logging concessions in the area. Regulations are strictly applied, especially as they relate to harvesting of ebony because of its threatened status that might result in it being placed on Appendix 1 under CITES.

It is clear that there is considerable interest in the area and with this has come uncertainty about what the TFCA is and how it should be demarcated. Clarity is required on the roles and intentions of the different agencies active in the area and on how they organize to collaborate to achieve a shared vision.

ZIMOZA TFCA

The proposed ZIMOZA TFCA, located in West Central Mozambique and measuring approximately 31 833 sq km, falls within the Zambezi River Basin, a component of the Great African Rift Valley system. This TFCA would connect conservation areas in Zimbabwe and Zambia, and Mozambique's first CBNRM project – Tchuma Tchato.

Unlike the other TFCAs in Mozambique that have national Parks or Reserves providing core conservation areas, the ZIMOZA TFCA is structured around a community initiative in conservation and tourism development. A critical weakness of the system at present is that land claimed by the communities has not been designated and they are therefore, not empowered to enter into and benefit fully from joint ventures with partners in developing conservation and tourism. The proposed area for the TFCA is large and it will take considerable time to designate all community land. The intention of this assignment is to designate those parts of community land that have priority because of the prospects they

hold for empowering communities in the short term. Issues that may direct prioritization include hunting concessions and proposals for tourism on the lake shore and surrounds.

The three governments have signed an international agreement and three committees (at Ministerial, Technical and Local Area levels) have been established to formalize the TFCA process. The first TFCA project did not provide direct financial support to the ZIMOZA TFCA, but it is intended that the ZIMOZA TFCA program be included into the TFCATDP, wherein implementation of Integrated Development Planning for the TFCA will establish a comprehensive planning and implementation framework, bringing together biodiversity conservation, policy development and harmonization, tourism planning, infrastructure development, and private sector and community development in a mutually reinforcing manner.

The Strategic Plan for the Development of Tourism identifies the Cahora Bassa lake and surrounds including the upstream area in Mozambique, as a Priority Area for Tourism Investment (PATI) and termed the Cahora Bassa Tourism Zone. It is envisaged that the area would be a focus for eco-tourism, adventure tourism and special interest activities.