

Document of
The World Bank

Report No: 28483

GEF PROJECT DOCUMENT
ON A
PROPOSED GRANT FROM THE
GLOBAL ENVIRONMENT FACILITY TRUST FUND
IN THE AMOUNT OF US\$9.0 MILLION
TO THE
REPUBLIC OF SOUTH AFRICA
FOR THE
C.A.P.E.: BIODIVERSITY CONSERVATION AND SUSTAINABLE DEVELOPMENT PROJECT
April 15, 2004

**Environment, Rural and Social Development - AFTS1
Country Department 1, Botswana, Lesotho, Namibia, Swaziland, South Africa - AFCO1
Africa Region**

CURRENCY EQUIVALENTS

(Exchange Rate Effective)

Currency Unit =

FISCAL YEAR

January 1 -- December 31

ABBREVIATIONS AND ACRONYMS

Definitions:	
Biodiversity Economy	The concept of the biodiversity economy is that local economic development should be supported in a manner which does not harm biodiversity and in which the management of biodiversity resources are developed into economic opportunities
C.A.P.E. Program	The National, 20 year Program: Cape Action for People and the Environment
CAPE 2000 Strategy	The Cape Action Plan for the Environment, a strategy developed for the conservation and sustainable use of the Cape Floristic Region in September 2000
Executive Agency	Either the NBI or any of the three Sub-Executing Agencies executing a Project activity
Implementing Agency	GEF implementing agency (World Bank, UNDP)
The Project	The C.A.P.E. Biodiversity and Sustainable Development Project, ie the subject of this Project document
Abbreviations:	
ABI	C.A.P.E. Agulhas Biodiversity Initiative
AUSAID	Australian Aid
BCLME	Benguela Current Large Marine Ecosystem
BD	Biodiversity
BotSoc	Botanical Society of South Africa
C.A.P.E.	Cape Biodiversity Conservation and Sustainable Development Project
CAS	Country Assistance Strategy
CBD	Convention on Biodiversity
CCC	C.A.P.E. Coordination Committee
CEPF	Critical Ecosystem Partnership Fund
CIC	C.A.P.E. Implementation Committee
CI-SA	Conservation International (Southern African Hotspots Program)
CIRAD	Centre de Coopération Internationale en Recherche Agronomique pour le Développement
CFR	Cape Floristic Region
CITES	Convention on the International Trade in Endangered Species
CPNP	Cape Peninsula National Park
CPU	Conservation Planning Unit of the Western Cape Nature Conservation Board
DANIDA	Danish Agency for Development Assistance
DEAET	Eastern Cape: Department of Economic Affairs, Environment and Tourism
DEAT	National Department of Environmental Affairs and Tourism
DWAF	National Department of Water Affairs and Forestry

EIS	Environmental Impact System
FFI	Flora and Fauna International
FPA	Fire Protection Association
GDP	Gross Domestic Product
GGP	Gross Geographic Product
GEF	Global Environmental Facility
GoSA	Government of South Africa
GTZ	German Foundation for Technical Cooperation
IAS	Invasive Alien Species
IDP	Integrated Development Plan
MBM	Market-based mechanisms
MCM	Chief Directorate of Marine and Coastal Management in DEAT
MoU	Memorandum of Understanding
MPA	Marine Protected Area
NBI	National Botanical Institute
NGO	Non-Governmental Organization
NORAD	Norwegian Agency for Development Cooperation
OP	Operational Program
PA	Protected Area
PES	Payment for Ecological Services
SANParks	South African National Parks
SDF	Spatial Development Framework
STEP	Subtropical Thicket Ecosystem Project
SKEP	Succulent Karoo Ecosystem Program
THETA	Tourism and Hospitality Education and Training Authority
TMF	Table Mountain Fund
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WF	Wilderness Foundation
WCNCB	Western Cape Nature Conservation Board
WfW	Working for Water Program
WMA	Water Management Area
WSSD	World Summit on Sustainable Development
WWF-SA	Worldwide Fund for Nature (South Africa)
WWF	World Wildlife Fund

Vice President:	Callisto E. Madavo
Country Director:	Fayez S. Omar
Sector Manager:	Richard G. Scobey
Task Team Leader:	Christopher J. Warner

SOUTH AFRICA
C.A.P.E.: BIODIVERSITY CONSERVATION AND SUSTAINABLE DEVELOPMENT
PROJECT

CONTENTS

	Page
A. Project Development Objective	
1. Project development objective	2
2. Key performance indicators	3
B. Strategic Context	
1. Sector-related Country Assistance Strategy (CAS) goal supported by the project	3
2. Main sector issues and Government strategy	4
3. Sector issues to be addressed by the project and strategic choices	6
C. Project Description Summary	
1. Project components	7
2. Key policy and institutional reforms supported by the project	10
3. Benefits and target population	10
4. Institutional and implementation arrangements	11
D. Project Rationale	
1. Project alternatives considered and reasons for rejection	14
2. Major related projects financed by the Bank and/or other development agencies	14
3. Lessons learned and reflected in the project design	16
4. Indications of borrower and recipient commitment and ownership	17
5. Value added of Bank and Global support in this project	17
E. Summary Project Analysis	
1. Economic	18
2. Financial	19
3. Technical	20
4. Institutional	21
5. Environmental	23
6. Social	25
7. Safeguard Policies	26

F. Sustainability and Risks	
1. Sustainability	27
2. Critical risks	28
3. Possible controversial aspects	30
G. Main Conditions	
1. Effectiveness Condition	30
2. Other Conditions for Negotiation	31
H. Readiness for Implementation	31
I. Compliance with Bank Policies	32
Annexes	
Annex 1: Project Design Summary	33
Annex 2: Detailed Project Description	41
Annex 3: Estimated Project Costs	46
Annex 4: Incremental Cost Analysis	47
Annex 5: Financial Summary	55
Annex 6: (A) Procurement Arrangements	56
(B) Financial Management and Disbursement Arrangements	63
Annex 7: Project Processing Schedule	70
Annex 8: Documents in the Project File	71
Annex 9: Statement of Loans and Credits	73
Annex 10: Country at a Glance	75
Annex 11: Background to the Project Area	77
Annex 12: Environmental Threats Analysis	80
Annex 13: Socio-economic Assessment	87
Annex 14: Description of the C.A.P.E. Program and Project Linkages	94
Annex 15: Replication Strategy	105
Annex 16: Role of Each Agency per Component and Procurement Category	111

MAP(S)

- IBRD 32809 - Project Area and Extent of the Cape Floristic Region
- IBRD 32865 - Unleashing the Potential of Protected Areas
- IBRD 32866 - Identifying and Securing Terrestrial Biodiversity in Key Sites
- IBRD 32867 - Integrating Biodiversity Concerns into Watershed Management