



**REQUEST FOR CEO ENDORSEMENT**  
**PROJECT TYPE: Full-sized Project**  
**TYPE OF TRUST FUND: GEF Trust Fund**

**PART I: PROJECT INFORMATION**

<b>Project Title:</b>	Mainstreaming Biodiversity into Land Use Regulation and Management at the Municipal scale		
<b>Country(ies):</b>	South Africa	<b>GEF Project ID:<sup>1</sup></b>	5058
<b>GEF Agency(ies):</b>	UNDP	<b>GEF Agency Project ID:</b>	4719
<b>Other Executing Partner(s):</b>	Department of Environmental Affairs, South Africa National Biodiversity Institute	<b>Submission Date:</b>	June 27 2014
<b>GEF Focal Area (s):</b>	Biodiversity	<b>Project Duration(Months)</b>	60 months
<b>Name of Parent Program (if applicable):</b> ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/>	Not applicable	<b>Agency Fee:</b>	817,773

**A. FOCAL AREA STRATEGY FRAMEWORK<sup>2</sup>**

<b>Focal Area Objectives</b>	<b>Expected FA Outcomes</b>	<b>Expected FA Outputs</b>	<b>Trust Fund</b>	<b>Indicative Financing from GEF</b>	<b>Indicative Co Financing (\$)</b>
BD-2 Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors	<p>Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation.  <i>Indicator 2.1: Landscapes and seascapes certified by internationally or nationally recognized environmental standards that incorporate biodiversity considerations (e.g. FSC, MSC) measured in hectares and recorded by GEF tracking tool.</i></p> <p>Outcome 2.2: measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks</p> <p><i>Indicator 2.2.: Polices and regulations governing sectoral activities that integrate biodiversity conservation as recorded by the FEF tracking tool as a score.</i></p>	<p>Output 1: Policies and regulatory frameworks (3) for production sectors</p> <p>Output 2: National and sub-national land-use plans (3) that incorporate biodiversity and ecosystem services valuation</p> <p>Output 3: Certified production landscapes and seascapes (2 million ha)</p>	8,177,730	7,788,931	50,653,616
<b>Total project costs</b>				8,177,730	50,653,616

**B. PROJECT FRAMEWORK**

<sup>1</sup> Project ID number will be assigned by GEFSEC.

<sup>2</sup> Refer to the [Focal Area/LDCF/SCCF Results Framework](#) when completing Table A.

**Project Objective: To mitigate multiple threats to biodiversity by increasing the capabilities of authorities and land owners to regulate land use and manage priority biodiversity at the municipal scale**

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Co-financing (\$)
Land-use Management, regulation, compliance monitoring and enforcement	TA	<p>Outcome 1.1 Regulatory processes for land and natural resource use management incorporate criteria to prevent/minimise and offset impacts on biodiversity</p> <p><i>(Indicator 1.1: Regulatory processes incorporate biodiversity criteria in two District Municipalities)</i></p>	<p>Output 1.1</p> <p>1.1.1. Coordination mechanism for land and natural resource use regulation and compliance monitoring in place, functional and comprises of the relevant national, provincial and municipal regulatory authorities in Ehlanzeni and Cape Winelands District Municipalities;</p> <p>1.1.2. Land and natural resource use application information requirements of the relevant regulatory authorities are amended to consider biodiversity priorities and incorporate the mitigation hierarchy to avoid / minimise / off set impacts on biodiversity;</p> <p>1.1.3. Policy support provided and guidelines developed to ensure biodiversity priorities are integrated into assessment and decision making for land and natural resource use that affect biodiversity and ecosystem services; and</p> <p>1.1.4. Compliance monitoring and enforcement of land and natural resource use authorisations reflect biodiversity priorities.</p>	GEF TF	2,686,956	20,000,000
		<p>Outcome.1.2 The capacity of staff of regulatory authorities and other environmental planning professionals to apply criteria to prevent/minimise and offset impacts on biodiversity is improved</p> <p><i>(Indicator 1.2:Capacity to apply biodiversity criteria evident among regulatory authorities and environmental and planning professionals, as indicated by survey to be conducted with key</i></p>	<p>Output 1.2</p> <p>1.2.1. Capacity development that includes training for regulatory authorities is undertaken and institutionalised;</p> <p>1.2.2. Capacity development on biodiversity priorities for environmental and planning professionals and communities is undertaken;</p>			

		<i>personnel at start and end of project)</i>	1.2.3. Capacity to monitor and enforce compliance with biodiversity permit/ authorisation conditions, and/ or identify and successfully prosecute land use and natural resource crimes, is in place.			
		<p>Outcome 1.3 Municipal land use planning, management and decision making integrate biodiversity priorities.</p> <p><i>(Indicator 1.3: Municipal land use planning frameworks in two target District Municipalities incorporate biodiversity criteria)</i></p>	<p>Output 1.3</p> <p>1.3.1 Relevant Protocols that guide the implementation of the Spatial Planning and Land Use Management Act SPLUMA in Ehlanzeni &amp; uMgungundlovu District Municipalities include biodiversity priorities;</p> <p>1.3.2 Environmental layers are incorporated into Integrated Development Plans that comply with protocols developed under SPLUMA;</p> <p>1.3.3 SPLUMA compliant Land Use Management Systems which contribute to improved land use regulation are developed; and</p> <p>1.3.4 Municipal decisions on infrastructure placement incorporate the mitigation hierarchy to avoid/ minimise/offset impacts on biodiversity.</p>			
		<p>Outcome 1.4 Financial mechanisms and incentives are enhanced in order to encourage greater investment in biodiversity and ecosystem services, and support job creation and sustainable economic development.</p> <p><i>(Indicator 1.4: At least one new funding mechanism in place, increasing resource allocation)</i></p>	<p>Output 1.4</p> <p>1.4.1 Public sector funding mechanisms that increase resource allocation to biodiversity management are investigated and piloted and the case for them is made to National Treasury.</p>			

Conservation and sustainable use of biodiversity on private and commercial land.	TA	<p>Outcome 2.1 Improved security for biodiversity priority areas <i>(Indicator 2.1: New biodiversity stewardship agreements cover 62,464 ha of biodiversity priority areas)</i></p>	<p>Output 2.1 2.1.1 Biodiversity stewardship agreements are negotiated and/or concluded on private and communal land in Amathole, Ehlanzeni and uMgungundlovu District Municipalities.</p>	GEF TF	5,101,975	28,241,540
		<p>Outcome 2.2 Biodiversity management of threatened medicinal plant species and priority ecosystems enhanced. <i>(Indicator 2.2: Biodiversity management plans that reflect appropriate norms and standards for 3 medicinal plant species and 1 priority ecosystem in place)</i></p>	<p>Output 2.2 2.2.1 Biodiversity management plans that include sustainable use and harvesting thresholds developed for 3 threatened and heavily traded medicinal plant species; and 2.2.2 The development of a biodiversity management plan is piloted and tested for one priority ecosystem.</p>			
		<p>Outcome 2.3 Pressure on biodiversity is reduced through better land and natural resource management practices implemented by private and communal land owners.  <i>(Indicator 2.3: - Biodiversity considerations integrated into sector standards in 3 production sectors - 161 000ha under better land and natural resource use management through adherence by producers to new sector standards)</i></p>	<p>Output 2.3 2.3.1 Better land and natural resource management practices are implemented by private and communal land owners in and outside stewardship areas in Amathole, Cape Winelands, Ehlanzeni and uMgungundlovu District Municipalities. 2.3.2 Biodiversity considerations are integrated into national or international codes of conduct/ production standards/certification systems for the fruit, sugar and forestry sectors in Cape Winelands and uMgungundlovu District Municipalities.</p>			
		<p>Outcome 2.4 Financing mechanisms and incentives for biodiversity stewardship improved and capacity to implement incentives is strengthened.</p>	<p>Output 2.4 2.4.1 Innovative funding model to expand financial resources for stewardship programmes piloted;</p>			

	(Indicator 2.4: At least one funding mechanism or tax incentive in place for biodiversity stewardship)	2.4.2	Enhanced income tax deduction incentives for conservation stewardship in place; and		
		2.4.3	Build capacity among financial/ tax advisors and stewardship staff with regard to what the incentives offer and how they can be accessed and applied.		
Subtotal					7,788,931 48,241,540
Project management Cost (PMC) <sup>3</sup>				GEF TF	388,799 2,412,076
<b>Total project costs</b>					<b>8,177,730 50,653,616</b>

### C. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming co-financing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Co-financing	Co-financing Amount (\$)
UNDP	UNDP	Cash	1 000 000
Provincial Government	Western Cape Department of Environmental Affairs and Development Planning	Cash	1 327 014
Non-governmental organization	Forestry SA	Cash	2 559 242
Non-governmental organization	World Wildlife Fund-South Africa	Cash	1 421 801
Local Government	uMgungundlovu District Municipality	Cash	428 486
Local Government	Ehlanzeni District Municipality	In-Kind	4 936 019
Cooperative	NCT Forestry Cooperative Ltd	Cash	1 409 953
Provincial Government	Eastern Cape Parks and Tourism Agency	Cash	1 770 000
Non-governmental organization	ICLEI	In-Kind	47 393
Provincial Government	Mpumalanga Tourism and Parks Agency	Cash	383 692
Provincial Government	Ezemvelo KwaZulu Natal Wildlife	Cash	1 516 588
National Government	Department of Environment Affairs: Natural Resource Management	Cash	11 739 108
NGO	SAPPI Forests	Cash	3 365 505
National Government Agency	South Africa National Biodiversity Institute (SANBI)	Cash	18 748 815
<b>Total Co-financing</b>			<b>50,653,616</b>

<sup>3</sup> PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

**D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY<sup>1</sup>**

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) <sup>2</sup>	Total c=a+b
UNDP	GEF	Biodiversity	South Africa	8,177,730	817,773	8,995,503
<b>Total Grant Resources</b>				8,177,730	817,773	8,995,503

<sup>1</sup> In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

<sup>2</sup> Indicate fees related to this project.

**F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:**

Component	Grant Amount (\$)	Cofinancing (\$)	Project (\$)	Total
International Consultants	0		0	
National/Local Consultants	3,714,771	18,573,855	22,288,626	

**G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT?**

NO

**PART II: PROJECT JUSTIFICATION**

**A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF<sup>4</sup>**

**A.1 National strategies and plans**

1 In addition to the key national strategies and plans described in the PIF, a White Paper on National Climate Change Response (2011) and a National Strategy for Sustainable Development (NSSD) have been developed. Furthermore, the recently promulgated Spatial Planning and Land Use Management Act (Act no. 16 of 2013, ‘SPLUMA’) is to provide a framework for spatial planning and land use management in South Africa and to provide for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government. All of these tools present opportunities for mainstreaming biodiversity at the municipal scale.

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

2 The project is still aligned with GEF Biodiversity Focal Area, **Strategic Objective (SO) 2:** (i.e. Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors). It will contribute to **Outcome 2.1:** (Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation) by improving land and natural resource management practices by private and communal land owners to ensure that they are ‘biodiversity friendly’, by securing and implementing biodiversity stewardship agreements on private and communal land, improving financing mechanisms and incentives for biodiversity stewardship and the capacity to implement these incentives, and by developing and implementing biodiversity management plans for threatened and heavily-traded medicinal plant species and one priority ecosystem. It will contribute to **Outcome 2.2:** (Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks) by: ensuring regulatory frameworks governing land use at the municipal scale incorporate criteria to avoid/ prevent, minimize and/ or offset unavoidable impacts on biodiversity, and the capacity of authorities and environmental professionals to apply these criteria is improved; ensuring that municipal land use planning, management and decision making reflect biodiversity priorities; and financial mechanisms and incentives are enhanced to encourage greater investment in biodiversity and ecosystem services, and support job creation and sustainable economic development.

**A.3 The GEF Agency’s comparative advantage:**

<sup>4</sup> For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question

- 3 In addition to what was outlined in the PIF, the project is also aligned with the following UNDP strategic outcomes for the period 2014-2017:
- Sustainable human development is embedded substantively in development debate and action at all levels;
  - Growth is inclusive and sustainable, incorporating productive capacities that create livelihoods for the poor and excluded; and
  - Countries are able to reduce and manage risks of conflict and natural disasters, including from climate change.

A.4. The baseline project and the problem that it seeks to address:

- 4 South Africa is recognized as one of the world's 17 megadiverse countries but levels of formal protection in the biomes are relatively low, from 20% of the Fynbos biome to only 2% of the Grasslands biome, while levels of habitat degradation and transformation are increasing. Conversion of natural vegetation to agriculture, commercial forestry, urban development and mining remains the biggest threat to biodiversity in South Africa. Poor livestock management and grazing regimes, coupled with invasive alien plant infestations, are responsible for the degradation of vast areas of important biodiversity and associated loss of ecosystem services. The agriculture and forestry sub-sectors utilize a large proportion of South Africa's land for food and timber production. Effective conservation and mainstreaming of biodiversity is threatened by capacity constraints within institutions; regulatory and fiscal challenges and blockages; and inadequate and inconsistent baseline data on biodiversity. There is also a paucity of mechanisms and incentives to engage private and communal landowners in 'biodiversity-friendly' land use and management practices. These problems and challenges are due largely to low levels of understanding within authorities of the value of biodiversity in sustaining health and livelihoods, in disaster risk reduction and management, and in its potential role in alleviating poverty through job creation. For this reason there has been limited attention to, and investment of public resources in, building authorities' capacity to evaluate development applications with regard to their effects on biodiversity and ecosystem services. Furthermore, the establishment of mechanisms and creation of financial and other incentives to engage and reward landowners for managing land and resources to sustain biodiversity has had low priority. More information on the global and national biodiversity context, threats, root causes and impacts on biodiversity is provided in the Project Document – paragraphs 8-17 and 35-49 respectively.
- 5 The baseline with regard to land use management, regulation and compliance monitoring is characterised by: Poor coordination amongst the various regulatory authorities involved in land and natural resource use authorisations which result in delays, issuance of authorisations without engagement of other key authorities, poor decision making that negatively affects biodiversity; and little or no compliance monitoring or enforcement of permit conditions. In addition, important biodiversity areas are not reflected in development and spatial frameworks, such as Integrated Development Plans (IDPs) and Spatial Development Frameworks (SDF's); and IDPs make little if any provision for budget and posts to restore, manage and conserve key ecosystems and biodiversity. Within the production landscape the baseline is characterised by the lack of fiscal and biodiversity tax incentives to encourage economically inefficient uses of ecosystems and species and encourage land owners to convert to biodiversity friendly land use practices; production practices on private and communal land are not in line with best practices needed to sustain biodiversity; and inadequate implementation of environmental certification systems that exploit private sector willingness to pay a premium for goods and services whose production, distribution and consumption is certified as sustainable. More information on the baseline is provided in the Project Document – paragraphs 68-80.
- 6 Effective biodiversity management outside protected areas is crucial to maintaining the ecological integrity of South Africa's biomes and ensuring that these ecosystems continue to provide a foundation for economic growth and social development. This requires a landscape approach to biodiversity conservation working both within and beyond the boundaries of protected areas, to manage a mosaic of land and resource uses through protection, restoration and mainstreaming biodiversity management into production and sustainable use, in order to deliver ecological, economic and social benefits.
- A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated [global environmental benefits](#) (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:
- 7 At the global scale, the GEF increment will ensure improved management, regulation and compliance monitoring of globally important biodiversity in South Africa. This in turn will enhance the national contribution to the achievement of the 5 Aichi Strategic Goals and specifically to the Aichi Biodiversity Targets 2, 3 and 7. At the national and local scale, the end of project

targets of 1 741 937 ha under improved land use regulation through complaint Land Use Management Systems in 3 district Municipalities will contribute to Aichi target 2; and of 223,464 ha of biodiversity priority areas in global biodiversity hotspots in South Africa being conserved will contribute to Aichi target 7. This will include hectares in the following global biodiversity hotspots: Albany Thicket Biome (11470 ha); Forest Biome (5194 ha); Grassland Biome (84104 ha); Indian Ocean Coastal Belt (18716 ha); Savannah Biome (64980 ha); and Fynbos Biome (39000 ha). Furthermore, the reduction in threats to indigenous medicinal plants, improved structural and functional connectivity between patches of land and a mosaic of land uses, and biodiversity friendly businesses under implementation in 3 district municipalities resulting in reduced conversion rates of natural habitat, new jobs and improved livelihoods for communities will all contribute to Aichi target 3.

- 8 This funding is necessary to clear national, provincial and local barriers at the municipal scale that are currently preventing the effective uptake of biodiversity mainstreaming interventions in land use regulation and management, and through securing priority biodiversity areas and reducing pressure on biodiversity through better land and natural use management practices by private and communal land owners; and to assist South Africa in achieving its 2020 targets under the Convention on Biological Diversity. (More details are provided in the Project Document, Table 8, Page 87)

**A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:**

Based on the changes to outcomes through the PPG process the risks identified in the PIF have addressed and new risks identified:

Description of risk/assumption	Rating	Mitigation strategy
Limited capacity within project partner institutions	This will affect partners' ability to carry out project activities Probability = moderately likely Impact = high	Provision has been made to provide additional specialist and/or technical support to affected partner institutions and to build capacity as part of this Project.
Necessary policy changes to facilitate project implementation are not approved	The risk is that policy changes fall outside DEA and SANBI's control. If the necessary policy changes are not approved the activities will be carried out but with limited long term impact. Probability = unlikely Impact = medium	The project is designed to be adaptive and adjust to any policy changes within the policy environment. In addition, policy changes needed to facilitate project implementation are agreed strategic priorities of the key stakeholders and have been negotiated with the responsible senior managers.
Small growers within the production sectors do not want to take up sustainable farming practices	This will affect project partners' ability to implement Component 2 project activities that seek to reduce pressures on biodiversity through better land management and natural resource management practices on communal land. Probability = moderately likely I= medium	Counter measures include the inclusion project activities that involve mentorship, deploying extension services and involving commercial farmers in mentoring small growers.

**A.7. Coordination with other relevant GEF financed initiatives**

INITIATIVES / INTERVENTIONS	HOW COLLABORATION WITH THE PROJECT WILL BE ENSURED
<i>Improving Management Effectiveness of the Protected Area Network</i> this project is to be funded by GEF and implementation is led by SANParks. This project has identified the following priority areas: Richtersveld, Matutaland-Pondoland-Albany Hotspot, Lowveld Node, Katberg-Amatole-Hogsback Region, Eastern Cape proclamation of reserves and consolidation of forestry areas in Western Cape Province.	There is spatial overlap between these two GEF funded projects in the Katberg-Amathole-Hogsback region and in the Lowveld node. There is also a common interest in the use of stewardship, offsets, support of ecological infrastructure and integration into municipal planning frameworks. Dialogue has already been initiated with SANParks to ensure that there is collaboration in these areas through joint representation on Project Steering Committees.
ProEcoserve is a partnership between the CSIR and SANBI with DEA chairing the steering committee. The objective is to integrate information on	All the partners in this project are also involved in this GEF mainstreaming intervention and will promote learning across these two initiatives.



INITIATIVES / INTERVENTIONS	HOW COLLABORATION WITH THE PROJECT WILL BE ENSURED
ecological infrastructure into sustainable national development planning and is focusing on national planning frameworks, and case studies for catchment management (Olifants) and disaster risk management (Eden District)	

Other changes made since the PIF stage are documented below:

- 9 In addition to the three district municipalities identified in the PIF, a fourth district municipality, uMgungundlovu, has been added to complement the existing project. This district municipality forms a significant part of the KZN midlands, one of the most diverse corridors in the Maputaland region and forming an important component of the Maputaland-Pondoland-Albany hotspot. This area is also recognised as a critically important water factory. Poor land management in the KZN midlands, particularly in communal areas which were part of the heavily settled former bantustans, has resulted in significant degradation and loss of biodiversity in wetlands and forests. Rural people living in these communal areas are dependent on this degraded natural environment and are therefore impacted by the decline in ecosystem services. The expansion of the project into this district is consequently aimed primarily at working with rural communities to encourage sustainable land management by providing support for emerging and small growers in the sugar and forestry industries in order to take pressure off natural habitats with globally significant biodiversity. Local stakeholders, including the municipality officials, recognise that there is an urgent need to support biodiversity mainstreaming in this district which is experiencing strong pressure for habitat transformation but which still has much of value to conserve. There is also considerable potential for synergies and layering of effort with the Umgeni Ecological Infrastructure Partnership and Adaptation Fund work in this area which will further increase the impact of investment in this district towards securing priority biodiversity in the Maputaland-Pondoland-Albany hotspot.
  
- 10 The Project Components and high level outcomes as outlined in the PIF have been maintained, although the formulation and alignment of some outcomes and outputs have been improved as described in the paragraphs that follow to clarify their role in the project. These changes were made following extensive engagement and consultation with stakeholders and potential project partners on the project viability and detailed project design during the PPG stage. As a result of this engagement, the order in which some outcomes and outputs appeared in the PIF was re-aligned and a numbering sequence was introduced to make the alignment between outcomes and outputs clearer and more obvious. The revised sequence is set out in Tables 7 and 8 of the Project Document. A key consideration in the stakeholder consultation process has been ensuring project feasibility and capacity for implementation. As specified in the PIF, various baselines and targets were also determined in the PPG stage, in consultation with stakeholders and potential project partners. Based on stakeholder feedback, a number of targets were revised to ensure their viability and have been moved from the outcomes and inserted in the Strategic Results Framework (SRF).
  
- 11 Component 1 (Land Use Management, Regulation, Compliance Monitoring and Enforcement) still focuses on incorporating biodiversity management objectives and safeguards in the land use and natural resource permitting process. To ensure project feasibility and realistic targets, the Component 1 outcomes and outputs as set out in the PIF were restructured – some outcomes were moved into the SRF as indicators, reference to hectare targets was revised and captured under the SRF, a new outcome was added, and the alignment between outcomes and outputs was clarified.
  
- 12 During the PPG stage it became clear, through engagement with stakeholders and potential project partners, and technical research undertaken to support project design, that hectares are not the most appropriate indicator when it comes to mainstreaming biodiversity into the permitting and regulatory regime. In other words, a target of ‘X hectares’ as a measure of biodiversity criteria being incorporated into permitting and land-use decision making will not necessarily be an accurate reflection of the extent to which this has taken place. The reason for the potential mismatch lies in the nature of the regulatory regime and the administrative procedures that underpin this regime. The requirement to obtain an environmental authorisation and/or land use planning permission is determined by a complex system of triggers. In the case of environmental authorisations, the triggers are activity-based; and triggers for land use permissions are rights-based. Authorities have no control over how many environmental authorisation and land use applications will be submitted, where these applications will be located physically, the property size, or overlap between applications and areas of biodiversity priority. Given that multiple permits and authorisations are often required, decision making is complex and, accordingly, a well-functioning authorisation process is critical to ensure due attention to biodiversity issues. Intergovernmental cooperation, the quality of information for decision making, relevant guidelines on addressing biodiversity, and the integration of systems are integral to a well-functioning authorisation process and to ensuring that biodiversity considerations will be taken into account. Accordingly, the references to hectares in relation to land use management and permitting in the PIF have been removed from the description of

the outcome and the following indicator has been added: *Indicator 1.1: Regulatory processes incorporate biodiversity criteria in two District Municipalities.* The net effect on biodiversity at project end remains unchanged.

- 13 The target of 2,8 million ha under improved management as a result of permit conditions has been reduced to a more achievable target of 1,7 million for the two districts in which the project activities for this outcome will be implemented. This target is linked to the Spatial Planning and Land Use Management Act (SPLUMA) compliant Land Use Management Systems (LUMS) being developed in selected target districts, and no longer to permit conditions for the reasons explained above. The net effect on biodiversity at project end remains unchanged. The target has been captured in the SRF. The baseline with regard to the incorporation of biodiversity information in application forms is given as zero because the application form is to be developed as part of project in one district and the target is set as 20% improvement on the baseline.
- 14 The reference to 20% increase in capacity, as measured by the UNDP capacity scorecard in the outcome on the improvement in the capacity of staff, has been removed from the description of the outcome and captured as an indicator of 'end of project' target in the SRF. The effect at end of project remains the same.
- 15 To strengthen the outcomes given in the PIF further, and extend the reach of interventions to a more strategic level by including spatial land-use planning in addition to project-by-project permitting processes, a new Outcome has been added. Outcome 1.3, Municipal land use planning, management and decision making integrate biodiversity priorities, explicitly recognises the overarching role and importance of integrating biodiversity priorities in municipal land use planning, management and decision making, simultaneously meeting the legal requirements of the SPLUMA and its associated LUMS.
- 16 During the PPG stage it was established that the outcome on improvement in the quality of biodiversity information provided by applicants should be inserted as an indicator and accordingly it has been captured as an indicator under outcome 1.2 in the SRF. The effect at end of project remains the same.
- 17 The focus with regard to outcomes and outputs that relate to financial mechanisms and incentives has been sharpened. In a large part, this refinement was possible thanks to fruitful engagements with National Treasury who provided critical guidance and support to ensure better alignment with the current policy environment and Treasury thinking with regard to financial mechanisms. As a result, the outcome was reformulated as: Financial mechanisms and incentives are enhanced in order to encourage greater investment in biodiversity and ecosystem services, and support job creation and sustainable economic development. This enhanced alignment is possible without changing the overall focus of the project as per the PIF but is nevertheless critical to project success. The PIF Outputs under Component 1 included the following: "Innovative financial mechanisms for 1) supporting biodiversity management, and 2) securing additional resources for biodiversity management are explored, and the national Municipal Infrastructure Grant has a specific allocation for maintenance and management of biodiversity." This output was explored with National Treasury who advised against reliance on a specific measure in the form of the adjustment of the Municipal Infrastructure Grant as this is a formula-based grant and does not lend itself to incentivisation. Instead, it was recommended that project outcomes could be enhanced if a slightly different emphasis were followed in which the project would investigate and pilot a funding mechanism to support increased resource allocation to biodiversity management within municipalities. Accordingly the output was reworded as follows to reflect this advice: Investigate and pilot funding mechanisms to support increased resource allocation to biodiversity management. The targets (of at least 50% increase in resources allocated and 600 jobs created) indicated for this outcome have remained unchanged and have been included as indicators in the SRF.
- 18 The revised outcome is also intended to cater for increased budget allocations at municipal scale. In the PIF this point is captured under the following output: "Integrated Development Plans and their related municipal budgets have dedicated allocations for the maintenance and management of biodiversity. This is enabled in part through the inclusion of biodiversity on the Municipal Asset Register, and specific interventions for freshwater ecosystems and invasive alien species management." However, further research and engagement with National Treasury during the PPG stage, made it clear that it was possible to maintain the focus of this output whilst not relying solely on Municipal Asset Registers. The work to be undertaken will develop the case for demonstrating the financial and economic benefits to local government of investing in the management of ecosystem services. This amendment to this output should allow for a more relevant and responsive project.
- 19 The PIF output with regard to strengthening the capacity of regulatory authorities, law enforcement agencies and courts at national level to identify and prosecute biodiversity crimes has been reworded to focus more specifically on compliance and enforcement weaknesses within the sector identified by stakeholders during the PPG stage. Stakeholders pointed out that the output as formulated in the PIF had too narrow a focus, was too late in the development planning and implementation process, and would not have contributed to biodiversity mainstreaming in land use regulation and management at municipal scale.

Accordingly it has been reformulated as follows: Capacity to monitor and enforce compliance with biodiversity permit/ authorisation conditions, and/ or identify and successfully prosecute, land use and natural resource crimes, is in place. This will ensure that capacity is first built within the regulatory authorities to issue credible authorisations, monitor compliance and enforce conditions of authorisation before addressing capacity within the prosecuting authorities.

- 20 Component 2 is still focused on Mainstreaming Biodiversity Conservation and Sustainable Use into Production Landscapes, with a specific emphasis on increasing sustainably managed landscapes and seascapes that integrate biodiversity conservation.
- 21 In agreement with stakeholders and UNDP, the output on securing of priority biodiversity through the stewardship mechanism has been elevated to an outcome. Negotiations and consultations with stakeholders and the conservation agencies in particular have resulted in the target of 48 000 ha being increased to 62 464 ha. The increase is based on biodiversity stewardship agreements resulting in biodiversity conservation. This is supported by the different levels of formal biodiversity protection available to private and communal land owners in South Africa under the existing legal framework. As explained in the Project Document (page 41) the national legislation on protected areas affords different levels of legal status to protected environments, private nature reserves and biodiversity agreements.
- 22 Component 2 will still focus on the promotion of sustainable use of three medicinal plant species in the target districts as part of its contribution towards increasing sustainably managed landscapes and seascapes that integrate biodiversity conservation. The baseline assessment done during the PPG showed that it was premature to select specific medicinal plants (as was done in the PIF). Instead, it was recommended that the identification of the most appropriate species for the development of biodiversity management plans be informed by the systematic development of a national strategy for threatened and heavily traded medicinal plant species. This process will be undertaken by the CITES Scientific Authority and is likely to be undertaken in the early stages of this project's lifespan. Once these three threatened and heavily traded medicinal plant species are selected through the national strategy development process, biodiversity management plans will be developed for each of them'. This work will be undertaken in partnership with the relevant conservation agency/ies. The PIF outcome anticipated a 30% reduction in the unsustainable utilisation of threatened and protected species. However, since the thresholds for medicinal species is unknown at this stage, this target is not viable. In order to determine sustainable use and harvesting thresholds, and set viable targets for the rate of reduction, it is necessary first to assess the utilisation and prepare a biodiversity management plan for the species. Accordingly, the project will undertake the required assessment, determination of sustainable use and harvesting thresholds and development of a biodiversity management plan for 3 medicinal plant species.
- 23 In addition to the biodiversity management plans do be drawn up for three medicinal plant species the consultations during the PPG stage revealed that it would also be very useful to demonstrate the development of a biodiversity management plan for a priority ecosystem. A priority ecosystem is an ecosystem which has been listed in terms of Section 52 of NEMBA. The first national list consisting of 225 threatened terrestrial ecosystems was gazetted in 2011. The listed ecosystems are vegetation types that serve as proxies for whole terrestrial ecotypes that are considered threatened. The development of a biodiversity management plan would provide an opportunity to test and pilot the national norms and standards for the biodiversity management plans that are currently being prepared for publication in the Government gazette. Accordingly a new output has been added to Component 2 to accommodate this: Pilot and test the development of a biodiversity management plan for one priority ecosystem. The priority ecosystem will be determined during project implementation. If appropriate, this work could result in recommendations being made to refine the norms and standards.
- 24 During the PPG stage it was established that land cover data as a surrogate measure of biodiversity loss has been collected in different ways in different areas, and at different scales and levels of accuracy in the past. In addition, available satellite imagery is inadequate to derive defensible data. For this reason, there is no reliable indicator of 'rate of loss'. The PIF included an outcome that specified a "50% reduction in the rate of loss of biodiversity priority areas" against a baseline rate to be determined in the PPG stage. The status of land cover data lies beyond the scope of control of this project, As there is no reliable indicator of rate of loss and the outcome stated in the PIF would not be viable, the focus of outcome has been changed from measuring reduction in rate of loss to 'improved security' of biodiversity priority areas as measured through hectares secured through stewardship agreements detailed in paragraph 20.

- 25 Similarly, the PIF Outcome which specified a “20% reduction in extent of degradation resulting from extensive incompatible land uses” against a baseline rate to be determined in the PPG stage has also had to be reformulated due to the status of available data as described in paragraph 18. This Outcome has been reworded as follows: Pressure on biodiversity is reduced through better land and natural resource management practices implemented by private and communal land owners. The focus in this outcome remains on better land management practices areas as measured through hectares under better management practices detailed in paragraph 20.
- 26 Notwithstanding the changes in respect of these two outcomes the net effect on biodiversity at project end remains unchanged. In both cases clear hectare targets have been set and captured in the SRF: The target for the improved security for biodiversity priority areas is 62,464 ha; and the target for the outcome on reducing pressure on biodiversity under better management practices is 161,000 ha.
- 27 The use of certification schemes to secure land under better management in production landscapes remains a key outcome of this component. The baseline assessment indicates that the greatest return for investment will be secured by concentrating on sectors which are readily engaged in certification and which are significant drivers of biodiversity loss within the target municipalities. The recommended focus sectors for this approach are fruit in the Cape Winelands District Municipality and forestry and sugar in uMgungundlovu District Municipality. One of the major outcomes of this component is thus still the use of certification schemes to secure land under better management in production landscapes.
- 28 From the baseline assessment and engagement with stakeholders during the PPG stage it was noted that the sugar and forestry sectors are pushing towards increased sustainable land use practices and are therefore eager to engage in standard setting. For example, the mills demand that all sugar producers supply sustainably produced sugar. The fruit industry already implements an internationally recognised certification system (SIZA) which can be adapted to better protect biodiversity through the development of an environmental component. Accordingly the sector targets were revised to focus on sugar, forestry and fruit. The South African government together with the commercial sector is encouraging the large scale development of small growers in the sugar and forestry industries. The planned interventions will focus on mixed use landscapes which include grazing; and the development of sustainable, autonomous plantation forestry-based and sugar cane mixed farming enterprises that protect priority biodiversity.
- 29 Investigations undertaken for the baseline assessment indicated that three production sectors (diary, wool and nuts) which were originally targeted for interventions were not appropriate for this project:
- Dairy: The primary impact of dairy farming is on water quality as opposed to biodiversity as the land is already highly transformed. Improved sustainability is therefore focused on management of effluent and the use of pesticides.
  - Wool: Closer investigation revealed that the spatial footprint of the wool industry was not sufficiently significant in the target municipalities. It was therefore decided that as a result of the spatial focus of this project an engagement with this industry in the target municipalities would be inappropriate.
  - Nuts: engagement with this sector has not progressed sufficiently for the design of an effective intervention. In addition, most effective location for the initiation of such an intervention may also be best located outside the spatial focus of this project.
- 30 Outputs in Component 2 of the PIF include improved capacity for private and communal landowners to self-monitor and enforce sanctions against defaulters, for agricultural boards and/ or industry associations to implement and monitor compliance with certification standards and penalise non-compliance. These Outputs has been revised as Output 2.3 with the project still resulting in improved capacity for private and communal landowners, the development, implementation and enforcement of certification systems (e.g. SIZA for fruit) and improved management within the targeted production sectors.
- 31 Likewise, Outputs in Component 2 of the PIF included ‘new business opportunities and market access’, comprising new supply chains that provide communities with access to the wildlife and biodiversity economy, as well as training for landowners in financial management, and business planning and development. Through the baseline assessment and in engaging stakeholders it became clear that the role and influence of this project on new supply chains in the wildlife economy cannot be determined at this stage. Targets have, however, been set for small growers in the forestry and sugar sectors: 20% in the case of forestry and 100% in the case of sugar. In addition, a target of 30% has been set for the fruit sector. With regard to the wildlife economy it also became apparent from engaging with stakeholders during the PPG stage that the primary focus was on animal health hence this was removed.

32 A new Outcome (Outcome 2.4) has been introduced to Component 2, namely ‘Financing mechanisms and incentives for biodiversity stewardship improved and capacity to implement incentives is strengthened’. This Outcome reinforces and expands on the Output in the PIF under Component 1, which reads ‘Innovative financial mechanisms for (1) supporting biodiversity management and (2) securing additional resources for biodiversity management are explored’, but is especially aimed at strengthening and incentivising conservation on privately-owned land by expanding the financial envelope for stewardship programmes. For this reason, it is incorporated into Component 2, rather than Component 1.

**B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:**

B.1 Describe how stakeholders will be engaged in project implementation.

STAKEHOLDER	INDICATIVE ROLES AND RESPONSIBILITIES
<b>NATIONAL LEVEL</b>	
<i>National Treasury</i>	Responsible for managing the national government finances and budgets. Will support work on financial incentives and funding mechanisms in Components 1 and 2.
<i>Government Technical Advisory Centre (GTAC)</i>	GTAC is an externally orientated programme which supports the National Treasury’s core business. Its responsibilities include providing technical consulting services to departments and government agencies; advice on the feasibility of infrastructure projects; and knowledge management services for projects undertaken. GTAC will support the establishment of a Biodiversity Mainstreaming Ecological Infrastructure group within its Economies of Regions Learning network (ERLN).
Department of Water Affairs(DWA)	Responsible for managing surface water and groundwater resources in the country, water allocation, and permitting of water use. Will work with SANBI on FEPAs in selected target districts and water pricing strategy.
Department of Co-operative Government and Traditional Affairs (COGTA)	Responsible for facilitating cooperative governance and supporting all spheres of government, promoting traditional affairs and supporting associated institutions. Will participate in cooperation frameworks established in selected target districts under Component I.
South African Local Government Association (SALGA)	Responsible for representing, promoting and protecting the interests of local government.
Department of Science and Technology (DST)	DST is the national department responsible for coordinating the National System of Innovation. Within the environmental sector DST is responsible for: strategic gap analysis and programmatic response relating to the research, development and innovation (RDI) components of various environmental issues; piloting and demonstrating new concepts, innovations and processes to provide ‘proof of concept’ to end users and implementers; streamlining the innovation cycle in relation to different aspects of the environment; and supporting the development of post graduate students that address gaps in environmental RDI.
International Council for Local Environmental Initiatives (ICLEI) Africa	ICLEI Africa’s is based in Cape Town and its core work streams include: Waste, Energy and Climate Change (including Disaster Risk Reduction), Water and Sanitation, Urban Biodiversity, Green Urban Economy, Urban Food Security, Leadership and Governance, and Integrated Urban Planning. Member cities relevant to this project include Buffalo City and the uMgungundlovu District Municipality. Will participate in component 1 outcomes that focus on municipalities. SANBI and the project partners will work closely with ICLEI and ensure incorporation of ICLEI work with municipalities within the target districts.
Fruit SA, NCT Forestry Cooperative Ltd,	Commercial producers and operators will be supported to develop biodiversity-compatible approaches, and engaged in important partnerships in Component 2.

B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):

- 33 Through both Component 1 and 2, the project aims to support sound management of natural resources on priority areas for biodiversity, as well as sustainable land uses that are compatible with biodiversity conservation, thereby helping to create 600 employment opportunities at a local level.
- 34 The project strives to elevate the importance of good, ongoing management of ecosystems that play an important role in disaster risk reduction at a local level, and in ensuring a reliable supply of ecosystem services on which local communities and/ or wider society depend for health, livelihoods and wellbeing. The good management of these ecosystems at a local scale will necessarily also boost job creation. Furthermore, their sound management will simultaneously ensure that ecosystem services of importance both to local communities and to the people of the country as a whole will continue to be reliably delivered, thus helping to adapt to the challenges of climate change and promoting social-ecological resilience.
- 35 In addition, women make up more than 70% of the small growers in the small scale and communal forestry sector and hold leadership positions in community structures. These women would benefit from skills and capacity development interventions planned under Component 2 of this project.

### B.3. Explain how cost-effectiveness is reflected in the project design:

- 36 Pressures of development on globally important biodiversity in South Africa are escalating, and relying on protected areas to conserve that biodiversity is not a viable strategy on its own. This project aims to support and incentivise biodiversity conservation and its sustainable use on land that remains in the custodianship of private and communal landholders. At the same time, it aims to strengthen effective land use regulation, and compliance monitoring and enforcement with adequate penalties for non-compliance, recognising that these elements are crucial to conservation outcomes. Additional explanation is provided in paragraphs 119 – 121 of the Project Document.
- 37 This approach provides incentives and support to enable landholders to participate in achieving conservation goals. These incentives come at a low cost relative to land purchase (Frazee et al, 2003), are arguably less disruptive to the economy and provide economic opportunities of their own. The project recognises that, with the help of focused and relatively low cost adjustments, state institutions involved in land use regulation can be made substantially more effective in reaching biodiversity goals. Additional explanation is provided in paragraph 121 of the Project Document.

### **C. DESCRIBE THE BUDGETED M & E PLAN:**

The project's M&E Plan is thoroughly described in the UNDP Project Document. For more detail, refer to Section I, PART IV: Monitoring and Evaluation Plan and Budget. The table below provides a summary of planned monitoring and evaluation activities, responsibilities, budget and time frames.

<b>Type of M&amp;E activity</b>	<b>Responsible Parties</b>	<b>Budget US\$</b> <i>Excluding project team staff time</i>	<b>Time frame</b>
Inception Workshop and Report	<ul style="list-style-type: none"> <li>▪ Project Leader</li> <li>▪ UNDP CO, UNDP GEF</li> </ul>	Indicative cost: 5,405	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> <li>▪ UNDP GEF RTA/Project Leader will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.</li> </ul>	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> <li>▪ Oversight by Project Leader</li> <li>▪ Project team</li> </ul>	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> <li>▪ Project Leader and team</li> <li>▪ UNDP CO</li> <li>▪ UNDP RTA</li> <li>▪ UNDP EEG</li> </ul>	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> <li>▪ Project Leader and team</li> </ul>	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> <li>▪ Project Leader and team</li> <li>▪ UNDP CO</li> <li>▪ UNDP RCU</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>	Indicative cost: 32,432	At the mid-point of project implementation.

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Final Evaluation	<ul style="list-style-type: none"> <li>▪ Project manager and team,</li> <li>▪ UNDP CO</li> <li>▪ UNDP RCU</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>	Indicative cost : 37,838	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> <li>▪ Project manager and team</li> <li>▪ UNDP CO</li> <li>▪ local consultant</li> </ul>	0	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> <li>▪ UNDP CO</li> <li>▪ Project manager and team</li> </ul>	Indicative cost per year: 9,190	Yearly
Visits to field sites	<ul style="list-style-type: none"> <li>▪ UNDP CO</li> <li>▪ UNDP RCU (as appropriate)</li> <li>▪ Government representatives</li> </ul>	For GEF supported projects, paid from IA fees and operational budget	Yearly
M&E and Knowledge exchange Forums	<ul style="list-style-type: none"> <li>▪ Project manager and team.</li> <li>▪ All sub project executants</li> <li>▪ Government representatives</li> </ul>	51,351	Mid-point of implementation and at project termination
TOTAL indicative COST <i>Excluding project team staff time and UNDP staff and travel expenses</i>		US\$ 172, 926	


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

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

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Zaheer Fakir	GEF Operational Focal Point	Environmental Affairs	27 JULY 2012

### **B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Adrian Dinu, UNDP- GEF Executive Coordinator and Director a.i.		June 27, 2014	Alice Ruhweza, RTA, EBD	251-115-170775	Alice.ruhweza @undp.org

**ANNEX A: PROJECT RESULTS FRAMEWORK** (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

**SECTION II: STRATEGIC RESULTS FRAMEWORK (SRF) AND GEF INCREMENT**

*PART I: Strategic Results Framework, SRF (formerly GEF Logical Framework) Analysis*

**Indicator framework as part of the SRF**

<b>This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD:</b>
<p><b>Country Programme Outcome Indicators:</b>  <i>Component II: Climate Change and Greening South Africa's Economy;</i>  <i>Outcome 2 on harnessing of South Africa's biodiversity resources to address sustainability whilst creating economic opportunities;</i>  <b>Outcome Indicators:</b></p> <ul style="list-style-type: none"> <li>• <i>Number of green jobs created in all sectors in the economy; and</i></li> <li>• <i>Number of state institutions and non-state actors at 3 spheres of government implementing integrated White Paper policies.</i><sup>5</sup></li> </ul>
<b>Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one): 1. Mainstreaming environment and energy OR 2. Catalyzing environmental finance OR 3. Promote climate change adaptation OR 4. Expanding access to environmental and energy services for the poor.</b>
<p><b>Applicable GEF Strategic Objective and Program:</b>          Mainstream biodiversity conservation and sustainable use into production landscapes/seascapes and sectors</p>
<p><b>Applicable GEF Expected Outcomes:</b>          Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation.          Outcome 2.2: Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks</p>
<p><b>Applicable GEF Outcome Indicators:</b>          Indicator 2.1: Landscapes and seascapes certified by internationally or nationally recognized environmental standards that incorporate biodiversity considerations (e.g. FSC, MSC) measured in hectares and recorded by GEF tracking tool.          Indicator 2.2: Policies and regulations governing sectoral activities that integrate biodiversity conservation as recorded by the GEF tracking tool as a score.</p>

Objective/ Outcome	Indicator	Baseline	End of Project target	Source Information of	Risks and assumptions
<b>Objective – To mitigate multiple threats to biodiversity by increasing the capabilities of authorities and land owners to regulate land use and manage priority biodiversity at the municipal scale</b>					
<b>Component 1 – Land and Natural Resource Use Management, Regulation, Compliance Monitoring and Enforcement</b>					
Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks	Indicator 2.2: Policies and regulations governing sectoral activities that integrate biodiversity conservation as recorded by the GEF tracking tool as a score.				<p><u>Risks:</u></p> <ul style="list-style-type: none"> <li>• Poor coordination between institutions and cooperative governance mechanisms and structures with regard to biodiversity-inclusive planning,</li> </ul>

<sup>5</sup> UNDP Country Programme Document for the Republic of South Africa (2013-2017). P6.  
 GEF5 CEO Endorsement Template-April 2014.doc



Objective/ Outcome	Indicator	Baseline	End of Project target	Source Information of	Risks and assumptions
<p>Outcome 1.1 Regulatory processes for land and natural resource use management incorporate criteria to prevent/minimise and offset impacts on biodiversity</p> <p><i>(Indicator 1.1: Regulatory processes incorporate biodiversity criteria in two District Municipalities)</i></p>	<ul style="list-style-type: none"> <li>▪ Coordination mechanism in place</li> <li>▪ Application forms incorporate biodiversity information</li> <li>▪ Biodiversity guidelines developed</li> <li>▪ Database &amp; system for compliance monitoring and enforcement of authorisations reflect biodiversity priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ No coordination mechanisms</li> <li>▪ Biodiversity information included in only one target district</li> <li>▪ Guidelines exist on fynbos, grasslands, mining &amp; biodiversity</li> <li>▪ Existing compliance and enforcement database and system is not integrated or systematic and does not adequately reflect biodiversity priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Intergovernmental cooperation forum and/or framework in two target districts</li> <li>▪ Biodiversity information included in authorisation application forms of two target districts</li> <li>▪ Biodiversity guidelines for 1 selected sector &amp; 1 biome</li> <li>▪ Updated database and integrated compliance and enforcement system in at least 1 target district</li> </ul>	<p>National and Provincial competent authorities and conservation agencies</p>	<p>financing, review and decision making are weak.</p> <ul style="list-style-type: none"> <li>• Shrinking budgets for natural resource management at provincial and municipal levels.</li> <li>• Poor capacity for extension work, compliance monitoring and enforcement.</li> <li>• Regulatory challenges and blockages</li> </ul> <p><u>Assumptions:</u></p> <ul style="list-style-type: none"> <li>• Project partners will work together effectively with one another and key stakeholders to meet objectives</li> <li>• Willing champions of projects will be acceptable to all stakeholders</li> <li>• Individual projects will be successful in 'making the case' for biodiversity mainstreaming (i.e. will not be perceived to be 'anti-development')</li> </ul>
<p>Outcome.1.2 The capacity of staff of regulatory authorities and other environmental planning professionals to apply criteria to prevent/minimise and offset impacts on biodiversity is improved</p> <p><i>Indicator 1.2: Capacity to apply biodiversity criteria evident among regulatory authorities and environmental and planning professionals, as indicated by survey to be conducted with key personnel at start and end</i></p>	<ul style="list-style-type: none"> <li>▪ Number of staff of regulatory authorities applying biodiversity criteria in review and decision making processes</li> <li>▪ Improvement in capacity of staff in regulatory authorities to apply criteria</li> <li>▪ Quality of biodiversity information provided by applicants</li> </ul>	<ul style="list-style-type: none"> <li>▪ Zero at project start</li> <li>▪ Zero at project start</li> <li>▪ Zero at project start</li> </ul>	<ul style="list-style-type: none"> <li>▪ 20% increase on baseline</li> <li>▪ 20% increase on baseline</li> <li>▪ 20% increase on baseline</li> </ul>	<p>Provincial competent authorities and conservation agencies</p>	<ul style="list-style-type: none"> <li>• There is institutional readiness and adequate capacity as a foundation to implement projects and build additional capacity</li> <li>• Project partners are committed to embedding project impact into institutional systems to deliver enduring outcomes</li> <li>• There is mobilisation and participation in learning networks</li> <li>• There is an adequate 'good</li> </ul>

Objective/ Outcome	Indicator	Baseline	End of Project target	Source Information	of	Risks and assumptions
<i>of project</i>						governance' foundation and management systems in place to minimise institutional risk
<p>Outcome 1.3 Municipal land use planning, management and decision making integrate biodiversity priorities</p> <p><i>Indicator 1.3: Municipal land use planning frameworks in two target District Municipalities incorporate biodiversity criteria</i></p>	<ul style="list-style-type: none"> <li>Number of IDPs where environmental layer of SDF is SPLUMA compliant</li> <li>SPLUMA complaint LUMS which contribute to improved land use regulation</li> </ul>	<p>Zero at project start - SPLUMA is promulgated but has not come into force yet - only tracking from project inception</p>	<ul style="list-style-type: none"> <li>6 IDPs with environmental layers in the SDFs that are SPLUMA compliant</li> <li>1 741 937 ha under improved land use regulation through SPLUMA complaint LUMS in 6 local municipalities</li> </ul>	District and local authorities		<ul style="list-style-type: none"> <li>Investments will be layered to achieve synergies and traction, value gain - multiple mutually reinforcing gains</li> </ul>
<p>Outcome 1.4 Financial mechanisms and incentives are enhanced in order to encourage greater investment in biodiversity and ecosystem services and support job creation and sustainable economic development <i>(Indicator 1.4: At least one new funding mechanism in place, increasing resource allocation)</i></p>	<ul style="list-style-type: none"> <li>Percentage increase in resources allocated to biodiversity management</li> <li>Number of jobs (including temporary and permanent jobs) created in target municipalities to support ecosystem restoration and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Zero in both target Districts</li> <li>EDM = 6 UDM = 0</li> </ul>	<ul style="list-style-type: none"> <li>50% increase in resources allocated to biodiversity management</li> <li>600 jobs (including temporary and permanent jobs) created in target municipalities to support ecosystem restoration and maintenance</li> </ul>	District and local authorities		
<b>Component 2 – Conservation and Sustainable use of Biodiversity on Private and Communal Land</b>						
Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation.	Indicator: Landscapes and seascapes certified by internationally or nationally recognized environmental standards that incorporate biodiversity considerations (e.g. FSC, MSC) measured in					<p><u>Risks:</u></p> <ul style="list-style-type: none"> <li>Conflicts between different stakeholder groups</li> <li>Low level of community willingness to take up the biodiversity economy</li> <li>Poor coordination and cooperation between</li> </ul>

Objective/ Outcome	Indicator	Baseline	End of Project target	Source Information	of	Risks and assumptions
	hectares and recorded by GEF tracking tool.					institutions
Outcome 2.1 Improved security for biodiversity priority areas  <i>(Indicator 2.1: New biodiversity stewardship agreements cover 62,464 ha of biodiversity priority areas)</i>	48 000 ha secured: – - X Ha under negotiation - X Ha submitted for declaration - X Ha declared	Amathole - 0 ha Cape Winelands - 4,118 ha Ehlanzeni - 7,900 ha uMgungundlovu - 10,500 ha	62 464 ha of biodiversity priority areas secured - 20 000 Ha under negotiation - 14 495 Ha submitted for declaration - 27 969 Ha declared	Provincial conservation agencies, SANBI		<ul style="list-style-type: none"> <li>Poor capacity for extension work, compliance monitoring and enforcement.</li> <li>Regulatory challenges and blockages</li> </ul> <p><u>Assumptions:</u></p> <ul style="list-style-type: none"> <li>Project partners will work together effectively with one another and key stakeholders to meet objectives</li> <li>Willing champions of projects will be acceptable to all stakeholders</li> <li>Individual projects will be successful in 'making the case' for biodiversity mainstreaming (i.e. will not be perceived to be 'anti-development')</li> <li>There is institutional readiness and adequate capacity as a foundation to implement projects and build additional capacity</li> <li>Project partners are committed to embedding project impact into institutional systems to deliver enduring outcomes</li> <li>There is mobilisation and participation in learning networks</li> <li>There is an adequate 'good governance' foundation and management systems in place to minimise institutional risk</li> </ul>
Outcome 2.2 Biodiversity management of threatened medicinal species and priority ecosystems enhanced  <i>(Indicator 2.2: Biodiversity management plans that reflect appropriate norms and standards for 3 medicinal plant species and 1 priority ecosystem in place)</i>	<ul style="list-style-type: none"> <li>Number of Biodiversity Management Plans for threatened and highly traded medicinal species (BMP:S)</li> <li>Number of Biodiversity Management Plans for priority ecosystem (BMP:E)</li> </ul>	1 BMP:S for a medicinal plant species ( <i>Pelargonium Sidoides</i> )  Zero BMP:E exist	3 BMP:S  1 BMP:E	Provincial conservation agencies, SANBI		
Outcome 2.3 Pressure on biodiversity is reduced through better land and natural resource management practices implemented by private and communal land owners	<ul style="list-style-type: none"> <li>Better land &amp; natural resource management practices implemented by private and communal land owners</li> </ul>	Monitoring baseline: Amathole – 0 ha Cape Winelands – 22,924 ha Ehlanzeni - 0 ha uMgungundlovu – 4,704 ha	<ul style="list-style-type: none"> <li>161 000 ha under better land &amp; natural resource management practices</li> </ul>	<u>Provincial conservation agencies, SANBI</u>		

Objective/ Outcome	Indicator	Baseline	End of Project target	Source Information	of Risks and assumptions
<p>(Indicator 2.3: - Biodiversity considerations integrated into sector standards in 3 production sectors</p> <p>- 161 000ha under better land and natural resource use management through adherence by producers to new sector standards)</p>	<ul style="list-style-type: none"> <li>▪ Biodiversity considerations integrated into production sectors</li> </ul>	<p>Codes of practice/ certification standards exist for forestry, wine and red meat commercial sectors</p>	<ul style="list-style-type: none"> <li>▪ Biodiversity considerations integrated into 3 production sectors for communal/ small growers</li> <li>▪ 30% of fruit producers from the target district comply with codes of practice/certification standards (SIZA)</li> <li>▪ 100% of commercial and small scale sugar producers in the target district comply with codes of practice/ certification standards</li> <li>▪ 20% of small grower/communal foresters from the target district comply with codes of practice/ certification standards</li> </ul>		
<p>Outcome 2.4 Financing mechanisms and incentives for biodiversity stewardship improved and capacity to implement incentives is strengthened</p> <p>(Indicator 2.4: At least one funding mechanism or tax incentive in place for biodiversity stewardship)</p>	<ul style="list-style-type: none"> <li>▪ Amendments made to tax incentives for biodiversity</li> <li>▪ Number of land owners using tax incentives</li> </ul>	<p>Income tax deductions for biodiversity conservation are provided for under section 18A of the Income Tax Act</p> <p>Zero land owners have signed conservation stewardship contracts and made use of current tax incentives</p>	<ul style="list-style-type: none"> <li>▪ Biodiversity tax incentives amended</li> <li>▪ 5 land owners make use of tax incentives</li> <li>▪ Guidelines for tax consultants developed</li> </ul>		

### List of Outputs per Outcome as part of the SRF

<b>Project's Development Goal:</b> To enhance the sustainable and effective conservation of globally significant biodiversity in South Africa through exploring, piloting and implementing innovative mechanisms and approaches to mainstreaming biodiversity and ecosystem services into the regulation and management of land and resource use in the landscape	
<b>Project Objective:</b> To mitigate multiple threats to biodiversity by increasing the capabilities of authorities and land owners to regulate land use and manage biodiversity in threatened ecosystems at the municipal scale	
<b>Outcomes</b>	<b>Outputs</b>
<b>Component 1: Land Use Management, Regulation, Compliance Monitoring and Enforcement</b>	
1.1 Regulatory processes for land and resource use management incorporate criteria to prevent/minimise and offset impacts on biodiversity	<p>Output 1.1</p> <p>1.1.1. Coordination mechanism for land and natural resource use regulation and compliance monitoring functions amongst national, provincial and municipal regulatory authorities mandated to govern land and natural resource use in place in Ehlanzeni and Cape Winelands District Municipalities;</p> <p>1.1.2. Land and natural resource use application information requirements of the relevant regulatory authorities are amended to consider biodiversity priorities and incorporate the mitigation hierarchy to avoid / mitigate / off set impacts on biodiversity;</p> <p>1.1.3. Policy support provided and guidelines developed to ensure biodiversity priorities are integrated into assessment and decision making for land and natural resource use that affects biodiversity and ecosystem services;</p> <p>1.1.4. Compliance monitoring and enforcement of land and natural resource use authorisations reflect biodiversity priorities.</p>
1.2 The capacity of staff of regulatory authorities and other environmental professionals to apply criteria to prevent/ minimise and offset impacts on biodiversity is improved	<p>Output 1.2</p> <p>1.2.1 Capacity development that includes training for regulatory authorities is undertaken and institutionalised;</p> <p>1.2.2 Capacity development on biodiversity priorities for environmental and planning professionals (EAPs) and communities is undertaken; and</p> <p>1.2.3 Capacity to monitor and enforce compliance with biodiversity permit/ authorisation conditions, and/ or identify and successfully prosecute, land use and natural resource crimes, is in place.</p>
1.3 Municipal land use planning, management and decision making integrate biodiversity priorities	<p>Output 1.3</p> <p>1.3.1 Relevant Protocols that guide the implementation of the Spatial Planning and Land Use Management Act SPLUMA in Ehlanzeni &amp; uMgungundlovu District Municipalities include biodiversity priorities;</p> <p>1.3.2 Environmental layers are incorporated into Integrated Development Plans to produce Spatial Development Frameworks that comply with protocols developed under SPLUMA;</p> <p>1.3.3 SPLUMA compliant Land Use Management Systems which contributed to improved land use regulation are developed; and</p> <p>1.3.4 Municipal decisions on infrastructure placement incorporate the mitigation hierarchy to avoid-mitigate-offset impacts on biodiversity.</p>
1.4 Financial mechanisms and incentives are enhanced in order to encourage greater investment in biodiversity and ecosystem services and support job creation and sustainable economic development	<p>Output 1.4</p> <p>1.4.1 Public sector funding mechanisms that increase resource allocation to biodiversity management are investigated and piloted and the case for them is made to National Treasury.</p>
<b>Component 2: Conservation and Sustainable use of Biodiversity on Private and Communal Land</b>	

2.1 Improved security for biodiversity priority areas	<p>Output 2.1</p> <p>2.1.1 Biodiversity stewardship agreements are negotiated and/or concluded on private and communal land in Amathole, Ehlanzeni and uMgungundlovu District Municipalities as follows:</p> <ul style="list-style-type: none"> <li>• 20 000 Ha under negotiation</li> <li>• 14 495 Ha submitted for declaration</li> <li>• 27 969 Ha declared</li> </ul>
2.2 Biodiversity management of threatened species for medicinal purposes and priority ecosystems enhanced	<p>Output 2.2</p> <p>2.2.1 Biodiversity management plans that include sustainable use and harvesting thresholds developed for 3 threatened and heavily traded medicinal plant species; and</p> <p>2.2.2 The development of a biodiversity management plan is piloted and tested for one priority ecosystem.</p>
2.3 Pressure on biodiversity is reduced through better land and natural resource management practices implemented by private and communal land owners	<p>Output 2.3</p> <p>2.3.1 Better land and natural resource management practices are implemented by private and communal land owners in and outside stewardship areas; and</p> <p>2.3.2 Biodiversity considerations are integrated into national or international codes of conduct/production standards/certification systems for selected production sectors</p>
2.4 Financing mechanisms and incentives for biodiversity stewardship improved and capacity to implement incentives is strengthened	<p>Output 2.4</p> <p>2.4.1 Innovative funding model to expand financial resources for stewardship programmes piloted;</p> <p>2.4.2 Enhanced income tax deduction incentives for conservation stewardship in place; and</p> <p>2.4.3 Build capacity among financial/tax advisors and stewardship staff with regard to what the incentives offer and how they can be accessed and applied.</p>

**ANNEX B: RESPONSES TO PROJECT REVIEWS** (from GEF Secretariat and GEF Agencies, and Responses to from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

COMMENTS	RESPONSE	CHANGES MADE IN PROJECT
COUNCIL		
<p>We would like to recommend that in order to create the attained “Incentives: New business opportunities and market access”, specifically with regard to new biodiversity-based supply chains, which often might be based on genetic resources, the project should also take the promotion of Access and Benefit-sharing (ABS) mechanisms duly into consideration</p>	<p>Through the baseline assessment and in engaging stakeholders it became clear that the role and influence of this project on new supply chains in the wildlife economy cannot be determined at this stage.</p>	<p>Targets have, however, been set for growers in the forestry and sugar sectors at 20% in the case of forestry and 30% in the case of sugar. In addition, a target of 30% has been set for the fruit sector. Regarding the wildlife economy, it became apparent from engaging stakeholders during the PPG that the primary focus of intervention is on animal health hence this was removed from the list of project activities.</p>
<p>Particularly for local communities, which are often holding (only) utilization rights on different land tenure schemes as well as traditional knowledge on the use of biodiversity components, ABS can offer a long term potential for an improvement of their livelihoods while fostering biodiversity conservation. Both components of the project could largely benefit from integrating awareness raising on ABS and clarifying the role of key stakeholders such as federal/ provincial authorities, private land owners, local communities, traditional healers, etc. in the process of granting prior informed consent (PIC) and establishing mutual agreed terms (MAT). Such activities – including the establishment of bicultural community protocols - could at the same time serve as national pilot measures for promoting and implementing the Nagoya Protocol on ABS.</p>	<p>This project falls within GEF Focal Area Objective 2 – <i>Mainstream Biodiversity and Sustainable Use into Production Landscapes, Seascapes and Sectors</i>, whereas ABS falls under GEF Focal Area Objective 4 – <i>Building Capacity on Access to Genetic Resources and Benefit Sharing</i></p>	<p>Not relevant to the GEF Focal Area Objective so not addressed in the project.</p>

QUESTIONS FROM GEF SEC (15-08-12)	RESPONSE FROM UNDP (17-08-2012)	CHANGE IN FULL PROJECT
<b>PROJECT DESIGN</b>		
<p><b>Question 14:</b></p> <p>Far too many threats are being tackled with this project. The list include: i) increasing population, ii) conversion of natural vegetation to agriculture, iii) plantation forestry, iv) urban development, v) mining, vi) livestock management and grazing regimes, vii) invasive alien plant infestations , viii)overexploitation of indigenous species, ix) recreational, subsistence and commercial fishing, x) resort and tourism development, etc.</p> <p>Question:</p> <p>1. Can this project tackle, within budget and time, all these threats at the same time?</p> <p>2. Can the responsible institutions build the expertise in all these fields to properly handle the land use management, permitting and enforcement?</p>	<p>1. <i>The ‘threats’ that are set out here are in fact the drivers of change , set out in an attempt to describe the dynamic and complex receiving environment of the project. The project itself will only address two threats: Habitat loss and habitat degradation. The global benefits that the project will deliver will result from addressing these two threats in the three landscapes.</i></p> <p>2. <i>The institutions that are described in the project are the institutions who are mandated with responsibilities for land use management, permitting and enforcement and as such, it is necessary to ensure that are all adequately capacitated to deal with biodiversity issues. By building integrated decision making platforms, the project hopes to link municipal level officials with those in other spheres of government, and in so doing, create systemic and sustainable change.</i></p> <p><i>The choice of theme and target landscapes was made after a 2 year consultative process. The landscapes were chosen because they offer the best opportunity for the choice of project approach to succeed, and they also provide the best opportunity for South Africa to achieve its conservation targets-both national and global.</i></p>	<p>Outcomes reworded to change from measuring reduction in rate of loss to ‘improved security’ of biodiversity priority (Outcome 2.1); and from specifying a 20% reduction in degradation to a reduction in pressure on biodiversity (Outcome 2.3).</p>
<p><b>Question 15:</b></p> <p>The success of this project is based, almost entirely, on the following assumptions:</p> <p>1) That land use planning and permitting systems that incorporate BD considerations result in BD conservation.</p> <p>2) That certification schemes and self-imposed sustainable use and harvesting thresholds result in BD conservation.</p> <p>3) That BD stewardships agreements (i.e. self-imposed restrictions for land use transformation and resource use) result in BD conservation.</p> <p>4) That Municipal decisions can be effectively enforced resulting in reduction of "biodiversity crimes".</p> <p>Questions:</p> <p>1) While these assumptions may appear as</p>	<p>Assumption 1: Land Use Planning and permitting systems that incorporate BD considerations result in BD conservation</p> <p><u>Examples of successful application:</u></p> <p><i>This approach was successfully applied in the recently completed CAPE project, where systematic conservation plans were successfully incorporated into the land use planning frameworks of municipalities across the Cape Floristic Region and the Provincial Spatial development Framework. Coupled with a new biodiversity screening checklist that is linked to SANBI’s Biodiversity GIS portal, this has empowered decision makers to incorporate biodiversity into their decision making and has enabled decision makers across different spheres of government to work towards the same set of priorities.</i></p> <p><i>This approach is also a cornerstone of</i></p>	<p>Component 1 restructured to strengthen the focus on intergovernmental cooperation, biodiversity information requirements, guidelines and an integrated compliance and enforcement system.</p>



QUESTIONS FROM GEF SEC (15-08-12)	RESPONSE FROM UNDP (17-08-2012)	CHANGE IN FULL PROJECT
<p>reasonable and in line with mainstream thinking in conservation outside PAs, are these assumptions correct in the context of the pilot areas in South Africa? In other words, is there "evidence" that these assumptions apply to the specific pilot areas proposed in the project (i.e. real case scenarios with similar environmental and socio-economic architectures)? Please address this question for each of the 4 items above.</p> <p>2) Are there examples in South Africa of successful application of the proposed intervention with tangible and measurable results on the ground?</p> <p>3) Do the proposed certification schemes deliver biodiversity conservation? The STAP Advisory Document "Environmental Certification and the Global Environment Facility" (2010) shows that the relationship between certification schemes and biodiversity conservation are not always clear.</p> <p>4) What is the baseline for "biodiversity crimes"? How many people have been convicted of such crimes?</p>	<p><i>the UNDP-GEF funded Grasslands Programme where tools are being developed to integrate biodiversity considerations into land use planning and permitting in a range of production sectors, including agriculture, plantation forestry, and mining) and at municipal and provincial level in Gauteng.</i></p> <p><i>While the enabling environment differs between District Municipalities and production sectors, environmental and socio-economic architectures are similar enough for us to believe that this approach will yield similar gains in the project target landscapes.</i></p> <p>Assumption 2: Certification schemes and self-imposed sustainable use and harvesting thresholds results in BD conservation</p> <p><u>Examples of Successful Application:</u></p> <p><i>Results of the Green choice Alliances' ongoing evaluation of Business and Biodiversity initiatives<sup>6</sup> show that there is good evidence that in some cases certification schemes and self-regulation can result in biodiversity conservation. Successful examples where certification and self-regulation have worked well can be found in the Grassland Programme's Forestry component, South Africa's Biodiversity and Wine Initiative and South Africa's Sustainable Seafood Initiative. There are early indications that investments in red meat and rooibos will also yield significant biodiversity gains.</i></p> <p><i>Experience has also shown that these schemes have a better chance of impacting positively on biodiversity where outcomes are tied to supply chains, including production and export standards and consumer campaigns, and where high priority biodiversity is identified and incorporated into stewardship programmes</i></p> <p><i>Component 2 of this project will be designed with strong supply chain linkages so as to strengthen tangible and measurable benefits for biodiversity conservation.</i></p> <p>Assumption 3: BD stewardship</p>	<p>In addition to certification in the fruit sector, Component 2 also focuses on certification for small growers in the sugar &amp; forestry sectors.</p> <p>Addressed in Outcome 2.1 of Component</p>

<sup>6</sup> Green Choice; Lessons and Principles; Business and Biodiversity Insights, September 2011

QUESTIONS FROM GEF SEC (15-08-12)	RESPONSE FROM UNDP (17-08-2012)	CHANGE IN FULL PROJECT
	<p>agreements result in BD conservation</p> <p><u>Examples of Successful Application:</u>  <i>South Africa's stewardship programme, which was catalysed with support from the CEPF and GEF a decade ago, is already delivering excellent returns for protected area expansion and biodiversity conservation. Stewardship agreements limit land use in areas with priority biodiversity, and bind landowners to management plan with biodiversity objectives. Compliance with these is audited by relevant conservation authorities.</i></p> <p><i>In addition, biodiversity stewardship is being enabled at a national level in South Africa through policies, tools and capacity support. The approach and successes of the stewardship programme are well documented in the Biodiversity Primer.<sup>7</sup></i></p> <p><i>The receiving environment in the project target landscapes is the same as that in which the stewardship programme is being successfully implemented in South Africa, and there is no reason to believe that this will not enjoy similar success.</i></p> <p><u>Assumption 4: Municipal decision can be effectively enforced resulting in reduction of 'biodiversity crimes'</u></p> <p><u>Examples of Successful Application:</u>  <i>This is a new area of work and a main focus of the project. We think it is a reasonable assumption to believe that improved enforcement and appropriate penalties will result in 'crime' reduction. This will be dependent on the relative benefits vs. costs of committing these 'crimes', and this is why updating penalties is an important component of the project.</i></p> <p><i>Currently, data on biodiversity crimes in South Africa is fragmented, not well collated or, in some instances, not collected at all. The baseline for biodiversity crimes will be assembled as part of the PPG phase, and if necessary, new mechanisms for coherent data collection will be designed.</i></p>	<p>2</p> <p>Output on biodiversity crimes reworded to focus more specifically on compliance and enforcement weaknesses (Output 1.2.3)</p>

<sup>7</sup> Cadman, M., Petersen, C., Driver, A., Sekhran, N., Maze, K. & Munzhedzi, S. 2010. *Biodiversity for Development: South Africa's landscape approach to conserving biodiversity and promoting ecosystem resilience*. South African National Biodiversity Institute, Pretoria.

QUESTIONS FROM GEF SEC (15-08-12)	RESPONSE FROM UNDP (17-08-2012)	CHANGE IN FULL PROJECT
<p><b>Question 16:</b> It is not clear how this project will deliver socio-economic benefits. Component 1 is about planning, permitting and enforcement. Important, much needed and does not need to deliver immediate financial rewards. Component 2. Certification is expected to render socio-economic benefits.</p> <p>Question: 1) Is it realistic to think that the project can deliver 50% of the production of fruit, nuts, game meat/ venison, beef, dairy, wool from BD friendly certification standards? This would be MONUMENTAL. Please reconsider number of species or products for certification.</p> <p>2) What are these "10 new funding and business opportunities that provide communities with access to the wildlife and biodiversity economy are identified" If these opportunities existed, people and business men (even at the community level) would have identified them a while ago.</p>	<p>1. <i>We agree that this component is ambitious and we have consequently removed beef and game meat/venison from the list of products.</i></p> <ul style="list-style-type: none"> <li>• For fruit and nuts, we have reduced the target to 30%. We believe this is achievable because fruit and nut are already governed by various certification schemes and are heavily exported. The project seeks to mainstream biodiversity into these schemes.</li> <li>• For dairy and wool, we have reduced the percentage to 20% because there are only a few distributors and the exact footprint has not yet been established in the target landscapes. This and all the percentages will be verified during the PPG phase.</li> </ul> <p>2. <i>The activity to deliver '10 new funding and business opportunities' was in fact incorrectly stated. The project will focus on supply chains and the utilisation of the power of markets to provide people with access to the wildlife and biodiversity economy.</i></p> <p><i>It should be noted that South Africa is a sophisticated market with supermarkets, such as Woolworth, that have invested heavily in certification schemes, and a large middle class that takes keen interest in these issues. While this would be a major challenge in any other country, it will not be in South Africa.</i></p>	<p>Investigations undertaken for baseline assessment during PPG indicated that:</p> <ol style="list-style-type: none"> <li>a) diary, wool &amp; nuts sectors were not appropriate for this project and thus dropped; and</li> <li>b) sugar and forestry sectors were eager to engage in setting sustainable land use standards and thus added to the project.</li> </ol>
<p><b>Question 17:</b> Please clarify is the list of key stakeholders on p.17-18 is the potential list of stakeholders or the actual list? In other words, is this the list of all those that may have a stake in this project, or the ones that do have a stake in the project and have been identified properly? Managing so many "key stakeholders" is going to be a daunting task</p>	<p><i>The long list of stakeholders is necessitated by the fact that the project is working in three different landscapes and across three spheres of Government. All stakeholders who are listed have already been involved in aspects of the project design, and will need to be involved in sustaining project outcomes. It is believed that a collaborative governance approach is needed if the systemic changes that are envisaged in this project are to be realized. South Africa has developed good experience with collaborative governance processes such as this through its bioregional programmes, and it is believed that stakeholders can be meaningfully and effectively engaged without this being 'daunting'.</i></p>	<p>Stakeholder table amended to include following new stakeholders:</p> <ul style="list-style-type: none"> <li>- National Treasury</li> <li>- Government Technical Advisory Centre (GTAC)</li> <li>- Department of Water Affairs(DWA)</li> <li>- Department of Co-operative Government and Traditional Affairs (COGTA)</li> <li>- South African Local Government Association (SALGA)</li> <li>- Department of Science and Technology (DST)</li> <li>- International Council for Local Environmental Initiatives (ICLEI) Africa</li> <li>- Fruit SA and NCT Forestry Cooperative Ltd</li> </ul>

QUESTIONS FROM GEF SEC (15-08-12)	RESPONSE FROM UNDP (17-08-2012)	CHANGE IN FULL PROJECT
	<i>Stakeholder fora/ governance structures will be formed in each of the three target landscapes, and most stakeholders will only be involved in one of these. (National stakeholders will need to play a role in all three).</i>	

**ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS<sup>8</sup>**

A. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

NONE

B. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Local consultants	78 000	57 934	20 009
Travel	22 000	22 057	0
<b>Total</b>	100 000	79 991	20 009

**ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)**

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

<sup>8</sup> If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.