



United Nations Development Programme
GLOBAL ENVIRONMENT FACILITY (GEF)



To: Mr. Kenneth King
Assistant Chief Executive Officer
GEF Secretariat

11 July 2001

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Global Environment Div.
World Bank

Mr. Ahmed Djoghlaif
GEF Executive Coordinator
UNEP, Nairobi, Kenya

From: 
Emma Torres
Deputy Executive Coordinator and
Officer-in-Charge

Subject: PDF B "South Africa: Agulhas Biodiversity Initiative"

The above-mentioned concept paper was approved and included into Pipeline 7. We are now submitting the above mentioned PDF B project brief for further review/comments and approval

We would appreciate receiving your comments no later than 17 July 2001.

Thank you.

Cc: M. Niamir-Fuller, GEF

TOR and Budget of PDF –B proposal

<i>Country:</i>	South Africa
<i>Focal Area:</i>	Biodiversity
<i>Project Title:</i>	Agulhas Biodiversity Initiative (ABI)
<i>Funding Requested:</i>	US \$ 78,550
<i>Cofunding:</i>	US \$ 28,000 from SANP US \$ 29,000 from FFI, FVCT and Grootbos
<i>Total:</i>	US \$ 135,550
<i>Requesting Agency:</i>	UNDP
<i>Block A Grant Awarded:</i>	No
<i>Project Duration:</i>	Five months

Full Project Summary:

Agulhas Biodiversity Initiative (ABI), an integral component of the CAPE Program is a coherent and comprehensive program designed to address the main threats to the globally significant lowland fynbos biodiversity of Agulhas Plain through a multiplicity of the inter-linked conservation, development and socio-economic activities. ABI Project is expected to result in (1) the development and implementation of a participatory conservation management plan for the Agulhas National Park and the Agulhas Plain as a whole; (2) the development and implementation of a model for sustainable harvesting of wildflowers in lowland fynbos in Agulhas Plain, including in the “category II” areas of Agulhas National Park; (3) the establishment of a strategic planning framework for nature-based tourism in Agulhas Plain, inside and outside the Park; and (4) building the local and national support for biodiversity conservation through a public awareness program. In addition, the project will support replication of the models developed and experience gained in other regions of South Africa (see Annex 2 : Approved Concept Paper).

1. DESCRIPTION OF PROPOSED PDF-B ACTIVITIES BY COMPONENT

Objectives for PDF B:

PDF B grant will assist South African National Parks and its partners to strengthen the capacity of the main stakeholders to develop and finalize in a participatory manner the logical framework for the Full Project (components, activities and indicators), and strengthen mechanisms for participation and coordination among the agencies for the implementation of the Full Project, in close collaboration with the Cape process and coordination arrangements.

Activities for PDF B:

While significant progress has already been made in preparation work and participatory consultation, through SANP and FFI resources, for the identification of the project site, of key stakeholders, implementation arrangements and main project components and subcomponents, a PDF Block B is requested to fund: (i) completion of data collection and analysis to support the project design, including addressing issues raised at the Pipeline Entry, strengthening institutional arrangements for project implementation (ii) participatory, systemic development of the project rationale and main components; and (iii) participatory development of the project components into sub-components and a sequence of detailed activities with associated costs, and finalize institutional arrangements for project implementation. These are discussed in detail below:

2. **Data collection and analysis to support the project design:** The outcome of this component will be a report that would systematically describe, detail and synthesize key sector information for preparation of the Full Project. This component will entail a series of baseline ecological, socio-economic and institutional surveys and will support the completion of the certification guidelines.
 - a. Socio-economic assessment: A local consultant will be hired by the Project Preparation Unit, based on the ToR developed by SANP and FFI to work with SANP, FFI, WCNCB, Botanical Society of South Africa and other stakeholders for the:
 - (i) Participatory identification of key stakeholders and review their interests and associated impacts on resource use;
 - (ii) Identification and mitigation against any possible negative socio-economic impacts on local stakeholders resulting from the project;
 - (iii) Identification of the mechanisms to ensure stakeholder participation in project activities and develop participation plan.
 - b. Strengthen institutional arrangements for project implementation: SANP and its partners will organize during the project preparation phase participatory consultations with the main stakeholders to:
 - (i) Discuss the institutional arrangements for implementation of ABI in close collaboration with the CAPE process;
 - (ii) Establish the Project Oversight Committee;
 - (iii) Hire a local consultant to undertake institutional needs assessment of the key institutions involved in the implementation of ABI and to develop training modules based on the needs assessment.
 - c. Develop mechanisms to increase land under conservation management in Agulhas Plain: SANP in collaboration with the Botanical Society of South Africa and WCNCB will organize a series of participatory workshops with the main stakeholders, including targeted farmers to:
 - (i) Discuss and formalize the Agulhas Plain reserve plan developed in the CAPE process in the last few years;
 - (ii) Consolidate the vision for the Agulhas Plain, and how different agencies identified in the socio-economic assessment would be involved in the conservation management;
 - (iii) Discuss options and negotiate “in-situ” solutions with most of the target areas;
 - (iv) Test willingness for farmers to undergo development restriction in exchange for suitable incentives.

- d. Collect information for development of models for sustainable harvesting of wild fynbos flowers – The PPU (Project Planning Unit) together with FFI, Flower Valley Conservation Trust and Botanical Society of South Africa will develop the ToR and will select two or three Master Students (or local consultants) to undertake the following activities at Flower Valley farm:
- (i) Conduct a baseline study on the resource base and the level and type of harvest;
 - (ii) Gather information on the different patterns of fynbos exploitation;
 - (iii) Undertake harvesting impact studies on fynbos habitat;
2. Development of the certification system for the sustainably harvested wild fynbos flowers: The Certification Working Group (CWG) established in the early stages of project preparation already drafted the environmental and social guidelines. The GEF funds will be used to assist the CWG to hire local or international consultants to:
- (i) Finalize the development of the certification guidelines;
 - (ii) Undertake the institutional needs assessment for the certification scheme;
 - (iii) Assess training needs and develop the training modules for the identified certification agency, private farmers and workers which will be implemented in the project implementation phase;
 - (iv) Conduct end market survey, assess quality and certification requirements and develop basic “green” marketing strategy;
 - (v) Develop the logo for the “green-labeling”.
2. Participatory assessment of potential nature-based tourism opportunities that support conservation – The PPU will hire based on approved ToR a local consultant (Master Student) to undertake the following activities:
- (i) Compilation of the most recent statistics and potential market growth for nature/cultural tourism for the Cape region in the context of tourism trends for South Africa;
 - (ii) Assessment of a sample of other similar nature-based tourism initiatives in South Africa in order to assess the tourism potential of the Agulhas plain.
- g. Initiate the preparation of public awareness materials – The PPU will hire a local consultant to based on approved ToR to:
- (i) Review the status, trends and historical context of fynbos ecosystems and their management, together with their ecological, economic and cultural significance in Agulhas plain;
 - (ii) Develop interim promotional materials for ABI;
 - (iii) Assess needs for public awareness and design component of the Full Project.

II. Participatory, systemic development of the project rationale, will be done over the course of a 5-7 day participatory workshop with the main stakeholders (5-15 people from each key institution that will be involved/implicated in project implementation). This should be undertaken with the assistance of a carefully selected and briefed facilitator, who is familiar with systemic development theory and practice, and experienced with LFA workshops. The rationale will provide the logic and foundation for project design, including revising the major project components. This exercise will also select the priority sites for the Full project’s demonstration activities.

III. Participatory Development of the Detailed Project Design and the Project Brief: This component will entail the development in a participatory manner with the main stakeholders the project components into sub-components and a sequence of detailed activities, and detailed implementation plan, including ToR for any major contracts to be implemented under the project.

2. OUTPUTS OF THE PDF B

The main outputs of PDF B are:

- Baseline ecological, institutional and sociological data for project design collected;
- Socio-economic issues assessed;
- Participation Plan developed, including mechanisms for consultation, coordination and local participation;
- Certification guidelines developed;
- Institutional arrangements for project implementation strengthened;
- Project rationale and design completed;
- GEF Project Brief and Project Document.

3. NATIONAL LEVEL SUPPORT

Agulhas Biodiversity Initiative combines three of the 37 core projects of the Cape Biodiversity Conservation Strategy and Action Plan and comprises immediate interventions required to address the root causes of the biodiversity loss in Cape Floral Kingdom. Recognizing the high priority of ABI, the Cape Coordinating Committee decided on December 12, 2000 that SANP, FFI and their partners should continue the preparation process (using PDF B grant), while the programmatic framework is being prepared. ABI, as the first pilot project under CAPE, will work in close consultation with the CAPE preparation process and key stakeholders in the Agulhas Plain, to agree the best institutional arrangements for the full project implementation, as well as ensuring the linkages and synchronizing with the CAPE Programmatic process.

At the last meeting of the Cape Coordinating Committee (May 15, 2001) it was agreed by all participants that National Botanical Institute (NBI) will be the Agency responsible for implementation of the CAPE Program. It was also agreed that SANP and FFI should work very closely with NBI, DEAT, WCNCB and other stakeholders for designing the Full Project. .

4. JUSTIFICATION FOR PDF GRANT

While significant amounts of work have been done for the identification and preparation of the Agulhas Biodiversity Initiative Project, more project preparation funds are required to ensure that a wider range of stakeholders are aware about the objectives, the threats and root causes of biodiversity loss and solutions to support conservation, while ensuring an equitable share of benefits for the stakeholders, especially the main resource users. In addition, the PDF B will ensure that stakeholder input is fully considered in finalizing the project components and activities and various institutions responsible for project implementation are strengthened for the implementation of project activities.

5. ITEMS TO BE FINANCED

The total value of the preparation activities under the PDF B is US\$ 135,550, of which SANP requests PDF B grant of US\$ 78,550. SANP will contribute with US\$ 28,000 representing the costs associated with project management (staff salaries, communication and office expenses), and SANP staff input in various activities, as well as renting of some workshop facilities. Fauna and Flora International will cover the costs associated with provision of a technical specialist to assist in the project preparation phase and contribute to office expenses and communication. FVCT and Grootbos will cover costs associated with providing meeting facilities, accommodation related costs for the consultants/students undertaking data collecting activities. The project preparation phase will take five months.

Output Budget for PDF B:

Component	Time frame	GEF US\$	SANP US\$	Others¹ US\$	Total US\$
I. Data collection and analysis to support the project design					
a. Socio-economic assessment	2 months	12,000	1,000	2,000	15,000
b. Strengthen institutional arrangements for project implementation	2 months	3,000	1,000	1,000	5,000
c. Develop mechanisms to increase land under conservation management in Agulhas Plain	3 months	5,000	-	500	5,500
d. Assess the current levels of harvesting	4 months	7,000	-	5,000	12,000
e. Support the establishment of certification system	4 months	10,000	-	5,000	15,000
f. Initiate the development of nature-based tourism models	3 months	5,000	1,000	1,000	7,000
g. Initiate preparation of Public Awareness materials	4 months	8,000	-	2,000	10,000
II Participatory development of project rationale					
1. Facilitated workshop to develop project rationale	5 days	6,000	1,000	500	7,500
2. Write up the revised project rationale	15 days	6,750	-	-	6,750
III. Participatory development of Project Brief					
1. Facilitated workshop to develop detailed project design	1 month	4,000	1,000	1,000	6,000
2. Write up the project brief	20 days	8,300	-	-	8,300
Project Management					
1. Project Coordinator – SANP (full-time)	5 months	-	12,500	-	12,500
2. Project assistant – SANP (full-time)	5 months	-	5,000	-	5,000
3. Procurement/Financial manager specialist	5 months	-	4,000	-	4,000
3. Technical expert – FFI (part-time)	5 months	-	-	10,000	10,000
3. Office expenses	5 months	1,000	1,000	500	2,500
4. Communication	5 months	2,500	500	500	3,500
TOTAL		78,550	28,000	29,000	135,550

¹ Others include FFI, FVCT and Grootbos

6. EXPECTED DATE OF PREPARATION COMPLETION

The project preparation activities are expected to begin in August 2001 and expected to be completed in January 2002. The GEF Full Project Brief generated by the PDF activities will be presented to the GEF Council in April 2002.

Component	1	2	3	4	5
I. Data collection and analysis to support project design					
a. Socio-economic assessment	X	X			
b. Strengthen institutional arrangements for project implementation	X	X	X		
c. Develop mechanisms to increase land under conservation management		X	X	X	
d. Assess the current levels of harvesting	X	X	X	X	
e. Support the establishment of certification system	X	X	X	X	
f. Initiate the development of nature-based tourism models		X	X		
g. Public Awareness	X	X	X	X	
II. Participatory development of project rationale					
1. Facilitated workshop to develop project rationale				X	
2. Write up the revised project rationale				X	
III. Participatory development of Project Brief					
1. Facilitated workshop to develop detailed project design					X
2. Write up the project brief and PRODOC					X

7. SPECIAL FEATURES

The central feature of the ABI approach is promoting innovative partnerships among all stakeholders to plan, develop and implement effective conservation management systems in Agulhas Plain, together with the identifying the biodiversity friendly income-generating activities, which will support the conservation efforts on a long-term.

During the course of the preparation and implementation process, SANP and FFI will organize consultative workshops with all identified stakeholders to ensure that: (a) stakeholder input is fully considered and integrated for data collection purposes; (b) stakeholders are aware of project objectives and activities; (c) stakeholders participate in project design and implementation; and (d) project development is integrated with ongoing and planned initiatives in the country and particularly the project area.

8. IMPLEMENTATION ARRANGEMENTS

Since ABI combines three core projects of the CAPE Program, the detailed institutional arrangements for project implementation will be decided in close collaboration with the CAPE

process, following participatory consultations with the main stakeholders during project preparation stage.

South African National Parks (SANP) will execute the project preparation phase, through National Execution arrangements with UNDP. For this purpose, SANP will establish with the PDF B and co-financing support a Project Preparation Unit (PPU), composed of two full-time staff, project coordinator and administrative assistant and one part-time, the procurement/financial management specialist. SANP will cover the costs associated with the PPU staff salaries together with support facilities, as well as part time staff input into data collection activities and facilities for the workshops. FFI will cover the costs of a technical specialist to advise the PPU in issues related to project management and implementation and some of the communication costs.

The PPU will oversee and support implementation of all project preparation activities in accordance with agreed monitoring indicators. The PPU will become the Project Implementation Unit (PIU) in the project implementation phase

One of the suggestions for ABI implementation was to establish a Project Oversight Committee composed of representatives of the DEAT, SANP, WCNCB, FFI, Botanical Society, Walker Bay Fynbos Conservancy, Project Manager of UNDP LIFE Project, private landowners and others to be determined in the initial stages of the PDF B.

The Project Oversight Committee will be chaired by the National Botanical Institute and will be responsible for providing project oversight advice and assistance in resolving issues associated with project implementation. The composition of the Project Oversight Committee will be decided during the project preparation phase.

ATTACHMENTS:

1. Letter of endorsement from the National GEF Operational Focal Point
2. Technically Approved Concept Paper .

ANNEX 2: TECHNICALLY APPROVED CONCEPT

CONCEPT PAPER FOR A FULL PROJECT

1. ***Project title:*** Agulhas Biodiversity Initiative (ABI)
2. ***GEF Implementing Agency:*** United Nations Development Program
3. ***Country in which the project is being implemented:*** South Africa
4. ***GEF Focal Area(s):*** Biodiversity, linking with Land Degradation
5. ***Operational Program/Short-term measure:*** OP 1 – Arid and semi-arid ecosystems
6. ***Country Drivenness (Project linkage to national priorities, action plans and programs):***
 1. The Government of South Africa has long demonstrated a commitment to protecting biodiversity. The Constitution of South Africa guarantees the right to a healthy environment and environmental protection through conservation, pollution control and sustainable development. The Department of Environmental Affairs and Tourism (DEAT) has published a White Paper on Conservation and Sustainable Utilization of South Africa's Biological Diversity in 1997 and is in the process of developing the National Biodiversity Conservation Strategy and Action Plan. The country ratified the Ramsar Convention, World Heritage Convention, Convention on International Trade with Endangered Species of Flora and Fauna (CITES) and the Convention on Biological Diversity.
 2. Agulhas Plain was identified as a conservation priority by South African National Parks (SANP) in 1986. However, the development of the National Park started only in 1996, when funds were secured to undertake a substantiation study and purchase the core parcels of land. Currently, Agulhas National Park is recognized as the highest priority on the SANP's agenda. In addition, the draft "medium term priorities for GEF funding" currently under preparation by DEAT identifies the CAPE programme (see below) which includes ABI, as a high priority for the country.
 3. The Agulhas Biodiversity Initiative (ABI) proposed by South African National Parks (SANP) and Fauna & Flora International (FFI) would assist South Africa towards achieving its obligations under these international conventions and addressing the goal of Cape Biodiversity Strategy and Action Plan to "ensure that the natural environment and biodiversity of the Cape Floristic Kingdom (CFK) are effectively conserved and restored wherever appropriate, and delivering significant benefits to the people of the region, in a way that is embraced by local communities, endorsed by government and recognized internationally".
 4. In 1997, the Government of South Africa requested the World Bank/GEF support for biodiversity conservation on the Cape Peninsula. The GEF approved a grant of US\$ 12.3 million to fund (i) the establishment of Cape Peninsula National Park; (ii) creation of Table Mountain Fund; and (iii) development of a strategic action plan for the

conservation of Cape Floral Kingdom, called CAPE². The CAPE process started in 1998 and it was developed in partnership with governmental and non-governmental organizations, communities and private sector under the leadership of WWF – South Africa. As a result of a fully participatory process, which took two years, South Africa developed in 2000 the Biodiversity Strategy and Action Plan for the CFK, and established the Cape Coordinating Committee for its implementation. The Committee is composed of the main stakeholders in the CFK and is led by Western Cape Nature Conservation Board (WCNCB).

5. The CAPE Action Plan is the first strategy developed for an entire biodiversity hotspot. The broad participatory process showed that “although 11% of the CFK is formally conserved, not all Broad Habitat Units (BHU) are adequately protected”. Consequently, one of the major recommendations of the Plan was to “exploit opportunities in less transformed landscapes, *such as the Agulhas Plain*, to establish reserve systems that will achieve targets for BHUs as well as most targets for the conservation.” Agulhas Biodiversity Initiative (ABI) is an integral component of the CAPE, being listed under the 37 priority projects, comprising the immediate interventions required to address the root causes of the biodiversity loss in CFK. ABI is a coherent and comprehensive program designed to address a multiplicity of inter-linked conservation, development and socio-economic aspects in the Agulhas region and represents an important pilot project within the overall CAPE program.
6. The CAPE strategy was launched in September 2000 during the International Donor Conference, attended by the main funding organizations (multilaterals, bilaterals, private foundations, international NGOs) operating in South Africa. During the Conference, the donors together with main stakeholders in South Africa agreed to prepare a Programmatic Framework, where all donors’ activities will be coordinated as to enable an effective implementation of the CAPE. Moreover, a decision was made to develop a GEF Programmatic Framework from the overall framework to be submitted in May 2001. It has been also agreed that the Agulhas Biodiversity Initiative concept paper would be an annex to this submission³. Following the CAPE International Donor Conference, CAPE Coordinating Committee prepared and submitted to the World Bank/GEF a Concept Note and PDF B for the Implementation of the CAPE. Recognizing the high priority of the ABI, the CAPE Coordinating Committee decided on 12 December 2000 that SANP, FFI and their partners should continue the preparation process (using PDF B grant), while the programmatic framework is being prepared.
7. In mid December, 2000 the Department of Environmental Affairs of Tourism suggested to CAPE Coordinating Committee to explore the possibility of establishing Cape Floral Kingdom World Heritage Authority to have over-riding responsibility for the entire geographic area and to coordinate the implementation of the CAPE. South African Government applied for a World Heritage listing of a cluster of 8 dispersed sites in CFK managed by three different agencies. The World Heritage Committee will discuss the application in June 2001. CAPE Coordinating Committee met several times, since then with the DEAT representatives to discuss the institutional arrangements for project implementation and the proposed World Heritage Authority. It was agreed that during the project preparation phase, CAPE Coordinating Committee together with all relevant stakeholders will explore the most effective institutional arrangements for the

² CAPE – Cape Action Plan for the Environment

³ CAPE Implementation Program – Concept Note submitted for GEF funding

implementation of the CAPE and the linkages between various executing agencies involved in implementation of individual projects. ABI, as the first pilot project under CAPE, will work in close consultation with the CAPE preparation process and key stakeholders in the Agulhas Plain, to agree on the best institutional arrangements for the full project implementation, as well as for ensuring the linkages and synchronizing with the CAPE programmatic process.

8. Although SANP, FFI and their partners have put a significant amount of work into preparation of the ABI, there is a need for PDF funding for the development of a full project.
9. Through its focus on building capacity at all levels to undertake participatory conservation management, develop and implement sustainable resource use practices, and a sustainable model for nature-based tourism in the region, the project will contribute significantly to strengthen the institutions in the area. The project supports the goal of the community involvement component of the CAPE Strategy, by ensuring equitable access to benefits from conservation through building the capacity of the local communities and provide the adequate support to start biodiversity-friendly micro-enterprises based on fynbos resources, including new locally-owned nature-based tourism enterprises, together with implementation of tourism awareness program. By providing a scientifically-sound model for sustainable use of fynbos resources, and new mechanisms for its implementation, the project contributes significantly to achieve the goal of the sustainable resource use component of the CAPE Strategy, ensuring that the *“natural resources of the CFK are utilized in such a way that maximizes benefits to society without compromising the ecological integrity of CFK.”* By encouraging participatory preparation of a strategic framework for tourism in the area, providing an appropriate infrastructure, supporting creation of locally-owned tourism enterprises focused on natural and cultural values of the area, marketing and promoting the tourism attraction through the implementation of a tourism awareness program targeted at different audience, the project also supports the goal of the nature-based tourism component of the CAPE Strategy.

Context

Global biodiversity significance of South Africa

10. South Africa is one of the 17 megadiversity countries of the world, mainly due to the strength of its floral diversity and endemism. South Africa has within its borders three of the world's 19 threatened biodiversity hotspots, namely the Cape Floristic Region, the Western Cape or Succulent Karoo Domain and Maputaland-Pondoland. It also has six of the world's Centers of Plant Diversity and Endemism as identified by WWF/IUCN including CFK, the Western Cape or Succulent Karoo Domain and Maputaland-Pondoland Region, Drakensberg Afromontane Region, Drakenberg Alpine Region and the Albany Center. South Africa's plant diversity is estimated at 23,420 species (9% of the world's total) with 16,500 endemics, of which 5,870 are found just within the fynbos of the Cape Floristic Region (Megadiversity, Conservation International). The Cape Floral Kingdom is the only floral kingdom found entirely within one country. It occupies a surface of 90,000 square kilometers and 70% of its 9,600 plant species are endemic.

Global biodiversity significance of the project site: Agulhas Plain

11. The project area located in Agulhas Plain covers 47,000 ha of lowland fynbos, of which 11,000 ha (with the aim of expanding to 20,000 ha) are represented by Agulhas National

Park (see Attachment 1 for the maps). Agulhas Plain is a very important component of Cape Floral Kingdom (CFK), as it is an area of high irreplaceability and high vulnerability, exceptionally rich coastal lowland with remnant patches of coastal Renosterveld and lowland fynbos, which are considered the highest priorities for conservation in South Africa and globally.⁴ Agulhas Plain has 2,000 indigenous plant species, including 112 in the Red Data Book and 100 locally endemic and unique vegetation types. The high biodiversity is attributed firstly to change in plant species composition on different soil types and to changes in plant assemblages on the same soil type but in different geographic locations. The region has eleven distinct vegetation units, of which one is endemic (*Elim asterceous* fynbos on gravel soils) and four (limestone proteoid, *Elim asterceous* fynbos, restioid fynbos and neutral sand or proteoid fynbos) are highly threatened. The Agulhas region is unique in terms of the wide variety of wetlands (freshwater springs, rivers, estuaries, lakes, vleis and endorheic pans) that occur within a relatively small area. The endemic rich wetlands, home to the endangered cape platanna and the micro frog (Picker & de Villiers 1988)⁵, are internationally recognized as important bird areas. Three Red Data Book butterfly species (*Argyrocupha malagrida maryae*, *Poecilimitis brooksi tearsei* and *Thestor rossouwi*) occur in the area (Henning 1989)⁶.

12. The coastline supports a rich marine and intertidal life, with breeding sites of endangered and rare bird species, such as the African black oystercatcher (*Hermatopus moquini*) and the Damara stern (*Sterna balaenarum*). Significant numbers of Southern right whales frequent the Agulhas coast for breeding. The large breeding colony of South African fur seals (*Arctocephalus pusillus*) on Geyser Rock produces over 8000 pups a year or 3% of the seal pup population in southern Africa.

Description of the project area:

13. There are two major watersheds in the Agulhas Plain, Nuwejaars and Rael Rivers and the project area covers both of them. There are six major urban settlements in the area, namely: Struisbaai, Gansbaai, Bredarsdop, De Kelders, Pearly Beach and Agulhas, four smaller villages and informal communities. About 60% of the region's estimated 45,000 inhabitants live in rural areas. Agulhas Plain is characterized by a very high unemployment rate (e.g. 58 % in Gansbaai), rudimentary health services and poor education levels in many of the rural areas.
14. Most of the land is in private ownership and is used mainly for profitable commercial agriculture. Barry Heydenrych identified in his 1999 study of Agulhas Plain, four categories of farms: livestock farms, fynbos farms, mixed farms and conservation farms. Livestock farms covered the largest surface area and there are followed by fynbos farms. Harvesting fynbos wildflowers is the largest single agricultural sectors in Agulhas Plain, yielding an estimated net income of US \$ 1.15 million/year. There is a high potential for wild flower harvesting compatible with biodiversity conservation, if managed correctly. Cultivated fynbos flowers yielded a net income of approx. US\$ 200,000/year from approximately 20 large- and 100 small-scale farms. Cultivation of a few fynbos species is increasing and pristine fynbos is primarily being targeted for conversion.

⁴ Lombard et. al. , 1997. Reserve design on the Agulhas Plain, South Africa: a flexible tool for conservation in a species-rich and fragmented landscape. *Conservation Biology*, 11, 1101 – 1116.

⁵ Picker & de Villiers. 1988 Cape Platanna In: Branch, W.R. (ed) South African Red Data Book - Reptiles and Amphibians, „South African National Scientific Programmes Report No. 151, CSIR, Pretoria, pp 25 - 28

⁶ Henning, G.A. 1989 South African Red Data Book Butterflies, *South African National Scientific Programmes Report No. 158*, CSIR, Pretoria

15. In addition to its biodiversity values, the area is very important for its cultural-historical features. The Moravian mission station at Elim has the largest wooden waterwheel in South Africa and the clock in the Elim church dates back to 1764. High concentrations of Late Stone Age shell middens, as well as fish traps, apparently constructed by Khokhoi pastoralists, are found along the coast.
16. The summer holiday season attracts anglers, abalone divers, hikers, beachcombers, ski boaters and surfers to the main tourist resorts in the area. The seasonal nature of the tourist trade and the fact that the local communities are too small to support recreational activities throughout the year has discouraged investment in the tourist industry, consequently the recreational resources have not been developed to their full potential.

Threats to the area's biodiversity:

17. It is estimated that at least 1,400 plant species⁷ in the CFK are now endangered or close to extinction. Although the area has been utilized since the Early Stone Age, the most dramatic change to the landscape has occurred after 1850, with two major forces responsible for the transformation of indigenous veld: cultivation and alien plant species. Cultivation of the more fertile shale-derived soils (previously supporting coastal Renosterveld and Elim fynbos) for cereals, vineyards, pastures and cultivated flowers covers 22.5% of the area⁸. Centuries of intensive agriculture have reduced coastal Renosterveld to between 5 % (in the west) and 35% (in the east) of its former extent⁹ and only 1.5% of the original area is conserved¹⁰. Although wildflower harvesting was found to be the region's largest industry, there is a growing trend towards the cultivation of many fynbos species, due to an increased European market demands for product quality.
18. Furthermore, alien plants, especially wattles from Australia, have invaded almost all of the Agulhas Plain, with at least 14.7% of the natural habitat being completely converted to dense thickets of invasive alien plants. Alien plant infestation threatens to displace the endangered fynbos types, such as neutral sand proteoid fynbos. These thickets reduce the globally significant biodiversity of the area, increase fuel loads, and hence wildfire hazards, and exhaust subterranean water supplies as a result of increased evapotranspiration. The failure to clear invasive alien plants from the catchment of Nuvejaars – Heuningnes River, is expected to result in reduced water flows, which could cause the closing of the mouth of Heuningnes estuary. It is estimated that this could mean a financial loss of almost R5 million in the agricultural sector. However, due to the lack of awareness about environmental, social and financial benefits resulted from alien clearance, the private landowners are currently not spending nearly enough to spread the stop of invasive alien plants, and the multi-million Rand intervention by the state is operating only in few key areas. Where dense thickets of invasive alien plant species occur, particularly Rooikrans (*Acacia cyclops*) there is an incentive to harvest this wood for commercial purposes. Studies show that some form of indigenous plant cover can be

⁷ Cape Action Plan for the Environment – A Biodiversity Strategy and Action Plan for CFK

⁸ Lombard et. al. , 1997. Reserve design on the Agulhas Plain, South Africa: a flexible tool for conservation in a species-rich and fragmented landscape. *Conservation Biology*, 11, 1101 – 1116.

⁹ Heijnis et. al. 1999 Picking up the pieces: A biosphere reserve framework for fragmented landscape – The Coastal lowlands of the Western Cape, South Africa. *Biodiversity and Conservation*, 8, 471 – 496.

¹⁰ Rebelo, A.G., 1992 Preservation of biotic diversity. In *The Ecology of Fynbos. Nutrients Fire and Diversity*. (ed. R.M. Cowling) pp. 309 – 344, Oxford University Press, Cape Town.

readily restored in most degraded areas that have become densely invaded by alien plants.¹¹

19. Inappropriate fire regime is another threat to the lowland fynbos in Agulhas plain and resulted in a reduced seed production and subsequently reduced plant diversity in the affected area. Fire has been used for a very long time as a management tool and almost half of the farmers in the region burn their land to improve wildflower production. Fires are exacerbated by extensive thickets of alien plants, and the absence of suitably trained personnel, fire-fighting equipment and firebreaks.
20. Unsustainable use of the natural resources, such as wildflower harvesting and over-use of marine (e.g. abalone) and wildlife resources represent other threats to the biodiversity of Agulhas Plain. The rich coastal, marine and freshwater resources are threatened, with 14 of the 19 species of freshwater fish facing extinction. The root causes are a large poverty-stricken population on the Agulhas Plain, which have few other alternatives than over-use of natural resources. Finally, indiscriminate coastal development and urbanization is destroying and degrading the integrity of coastal habitats and ecosystem processes, as well as exacerbating pollution problems and increasing pressure on already over-utilized natural resources. However, of all these factors, by far the unsustainable use of fynbos flowers for sale is probably the most serious threat. The PDF B will quantify the extent of this extraction in order to develop priority actions. SANP doesn't have a mandate to operate in coastal and marine zones. Consequently, the threats and root causes of the marine biodiversity loss will be addressed by another core project developed as an integral part of the CAPE Program, by the Marine and Coastal Management Institute. Coordination between the terrestrial and marine components in the Agulhas Plain will be ensured by the organization which will be responsible with the implementation of the CAPE Strategy, working in close collaboration with the executing agencies.
21. In summary, the main threats to the biodiversity of Agulhas Plain are:
 - Clearing natural vegetation for agriculture
 - Alien plant infestation inside and outside the Park
 - Unsustainable wild flower harvesting from the fynbos (inside and outside the park)
 - Inappropriate fire regime
 - Indiscriminate coastal development and urbanization
22. The root causes of these threats are :
 - Poverty of local residents
 - Lack of alternative economic strategies for both traditional and commercial sectors
 - Lack of incentives for coordination among private landowners, and with the public sector.
 - Lack of awareness of the value, importance and vulnerability of biodiversity resources

¹¹ Holmes and Cowling, 1997 The effects of invasion by *Accacia saligna* on the guild structure and regeneration capabilities of South African fynbos shrubland. *Journal of applied ecology*, 34, 317 – 332.

Baseline

23. Most of conservation initiatives in CFK have occurred in the mountainous landscape of Cape Folded Belt. The same cannot be said of the lowlands, where agriculture (land clearing, flooding of valley bottoms for dams, drainage of wetlands), alien invasive plants, and coastal resorts have transformed much of the landscape, and remnant areas of natural habitat are being lost at an ever increasing-pace. This together with the threats from inappropriate fire management and unsustainable flower harvesting is having an increase negative impact on the fynbos biodiversity.¹²
24. Agulhas Biodiversity Initiative aims to complement significant baseline activities for the conservation of Agulhas plain already underway by SANP, FFI and their partners. The following activities have been already undertaken by SANP and its partners for addressing the root causes of biodiversity loss in Agulhas Plain. Some of the core priority areas for conservation in the Agulhas Plain have already been secured through the actions of SANP, WCNCB and FFI, via land purchase, contractual agreements with private land owners and the establishment of Conservancies. It is estimated that approx. US\$ 6.3 million were invested over the past five years by SANP, FFI and their partners in conservation management planning (US \$ 4.5 million), development and implementation of sustainable resource use models (US\$ 440,000), sustainable nature-based tourism (US\$ 1.1 million) and environmental education/public awareness activities (US\$ 260,000). These are described below in detail. Furthermore, there is a commitment from the above organizations for additional investment in the area totaling approx. US\$ 7.2 million for the next five years, mainly in terms of land purchase, infrastructure building and staff salaries. However, effective conservation of the Agulhas Plain's endemic biodiversity requires more funds to support capacity building for the participatory development of a conservation management plan with the involvement of the key stakeholders from public and private sector and the development and implementation of the mechanisms to reduce the pressure on the natural resources and increase the benefits from conservation.

Conservation management planning for the Agulhas Plain

25. *Official designation as National Park:* The Board of SANP approved in 1996 the establishment of a national park in the Agulhas Plain, following a thorough assessment of the area's conservation potential. The Minister of Environmental Affairs and Tourism officially announced the creation of the park on 1 March 1999 and the first portions were proclaimed in September 1999 in accordance with the terms of the National Park Act. The park has currently 11,000 ha and plans to expand up to 20,000 ha. However, the expanded Agulhas National Park covers only half of the area in need of conservation in the Agulhas Plain. Consequently, SANP together with its partners identified an additional area of 27,000 ha which will be managed in partnership with the WCNCB, private landowners, local NGOs and communities as mosaic of different land-uses to ensure that effective conservation of much of the biodiversity of the lowland fynbos is achieved. This is the first example in South Africa where a flexible, strategic and systematic conservation planning approach has been used to plan a system of conservation areas. SANP has already hired four people to work at the temporary administration of the Park in Stanford and recently purchased the lighthouse in Agulhas, which will be developed with the assistance of the proposed project in the main Park headquarters. While substantial amount of funds have been already invested for the establishment of the

¹² Cowling et. al. , 1998. Systematic conservation planning for the CAPE Project. Conceptual approach for the terrestrial biodiversity component. Report no: IPC 9803 CAPE, Institute for Plant Conservation, University of Cape Town. Rondenbosch.

National Park, and more have been approved by SANP for the next five years, it is not enough to cover the establishment of inter-sectoral, efficient management systems to secure the conservation of biodiversity in the area. There is an urgent need to shift the traditional sectoral approach of SANP in park management planning. Consequently, additional resources will be needed to lift the institutional and technical barriers by building the capacity of the new Park staff and other organizations operating in the area for establishment of appropriate administrative structures and organizing more stakeholder consultation in participatory development of management planning.

26. Land purchase for conservation: SANP bought some of the most vulnerable areas in the Plain as part as the Agulhas National Park using the internal development fund for land purchases. However, the funds generated from this scheme are not sufficient to consolidate all important conservation areas. Consequently, SANP approached Fauna & Flora International, to help with the purchase of additional parcels of fynbos. In March 2000, the two organizations signed a MoU covering the development of Agulhas National Park and increase the land under conservation management in the region. Following this, FFI have provided funds for the purchase of land on the Agulhas Plain that was imminently destined for vineyards. Currently, 11,000 ha have been secured through purchase and contractual agreements and more land will be purchased using the internal SANP funds and other sources of funding (such as FFI) in the course of the proposed project.
27. Public-private sector partnership to increase the land under conservation. There are two models of public-private sector partnership for conservation pertinent for Agulhas Plain: contractual national parks implemented by SANP and conservancies implemented by Western Cape Nature Conservation Board. The former is bound by a formal contract between the landowners and SANP and provides mutual benefits for both partners, while fulfilling conservation goals over the long term. SANP has already entered in contractual agreements with some of the landowners in the Agulhas Plain. Preliminary discussions have indicated that the Elim community, owners of one of the richest areas in endemic Elim fynbos, would be willing to investigate the inclusion of Geelkop area (with many endemic Proteaceae) into the Agulhas National Park on a contractual basis. Although important steps have been taken towards securing more land for conservation, there is an urgent need for additional assistance to consolidate this type of partnership, provide increased awareness among the local landowners about the long-term benefits from conservation, and develop incentives for sustainable use. The project would build upon the Botanical Society (South African NGO) work on development of a conservation vision for the Agulhas Plain involving all stakeholders, and especially targeted to farmers. This will be achieved in the preparation stage, through organizing together with the Botanical Society a series of workshops to discuss options and negotiate “in-situ” solutions with most of the target areas, as well as testing the willingness of farmers to undergo development restrictions in exchange for suitable incentives. Consequently, the project would provide support to participatory development and implementation of models for sustainable use of the fynbos resources, and lift barriers to its adoption by developing a certification system for the fynbos products, and stakeholder workshops to increase the number of contractual agreements to cover some of the very endemic rich areas.
28. The conservancies encourage conservation outside protected areas through cooperative management. In 1998, under the leadership of Western Nature Conservation Board, SANP, Grootbos Private Reserve and Flower Valley Conservation Trust, 12 landowners

in the western section of Agulhas Plain established the Walker Bay Fynbos Conservancy. The aim of the conservancy is the protection of the highly sensitive fynbos biodiversity in the area and one of the largest pristine milkwood forests in South Africa (at Grootbos). During 2000, the Walker Bay Conservancy together with the financial support of its members, undertook a baseline survey of the area as a basis for a strategic plan for the area, including zoning, alien clearance, fire management strategy, and tourism. The proposed project will build capacity of this conservancy to develop and implement model management guidelines for the area and replicate the experience gained to other regions in the CFK. In addition, the project will build capacity of both SANP and WCNCB to work together and with the private landowners in increasing the land under conservation management in Agulhas Plain. In addition, the planned eventual designation of the area as a World Heritage Site and a Biosphere Reserve will bring attention to the Agulhas Plain and provide incentives for establishment of further Conservancies.

29. *Alien vegetation clearance.* The Department of Water Affairs and Forestry's Working for Water Program and the Department of Agriculture's Landcare Project are major initiatives in Agulhas Plain which aim to provide employment for the socially marginalized sectors through ecological restoration works that will provide national economic benefits. SANP has been able to secure funds from the Working for Water Program for alien vegetation clearance in Agulhas Plain, which created almost 300 jobs and cleared approx. 4000 ha of invasive plant species over two years. There is an urgent need to identify and apply the incentives for the landowners in the Agulhas Plain to clear their land of alien plant species, such as commercial value for the obtained wood. The project would lift technical and economic barriers by identifying priority conservation areas in the project site with dense thickets of alien plant species, developing in a participatory manner uses for the harvested wood and increasing the awareness of the landowners about the long-term benefits resulting from alien clearance. The project would also build upon the SANP experience in Elim village and Flower Valley farm, where the harvested wood was sold for firewood, or used for furniture. The areas cleared of aliens also need to be restored to fynbos or other natural habitats, and this requires some positive intervention in the form of follow-up monitoring, clearance of regenerating aliens, re-seeding of indigenous species, etc. Little such habitat restoration work is currently underway, and the PDF B will determine the level and scope of existing action and the level of increased intervention needed.

30. *Fire Management Strategy.* Recently a National Veld and Forest Fire Act was promulgated. Under this act, a veldfire management strategy must be prepared and landowners must create and maintain firebreaks and ensure they have the correct equipment and trained personnel. There is a general acknowledgment that landowners must work together to manage runaway veld fires. However, due to lack of awareness and coordination among the landowners in Agulhas Plain, fires continue to affect large surfaces. The project would lift the technical barriers by building the capacity of the main stakeholders in Agulhas Plain to establish a Forest Fighting Team and participatory develop and implement a coherent fire management strategy to assist with controlled burning of veld and when necessary to fight uncontrolled fires. Clearing of alien invasive species will provide additional benefits in reducing the incidence and severity of fires.

Development of models for sustainable harvesting of wild fynbos flowers

31. Fauna & Flora International, the world longest established international conservation NGO, is very active in the Agulhas Plain in enhancing fynbos conservation, through: (i) development and implementation of sustainable harvesting practices for fynbos

wildflowers and of a certification scheme in collaboration with Western Cape Nature Conservation Board, Flower Valley Conservation Trust (FVCT), Botanical Society and private land owners; (ii) collaborating with SANP to increase the land under conservation management in Agulhas Plain through land purchase; and (iii) supporting the establishment of conservancies, such as Walker Bay Fynbos Conservancy. FFI has purchased a fynbos farm in the name of a local NGO, Flower Valley Conservation Trust and is working towards development of a certification system for the sustainably and ethically harvested fynbos flowers. A Certification Working Group was established in mid 2000 composed of representatives of WCNCB, SANP, FVCT, Botanical Society, Walker Bay Fynbos Conservancy, private farmers and FFI. The group developed draft guidelines for certification, which are currently distributed for comments.

32. FFI is currently exploring “green-labeling” for fynbos products as a method of establishing new niche markets overseas. The green-labeling could include information that the product has been harvested sustainably and ethically from the wild and will have the stamp of approval of conservation agencies, such as SANP and WCNCB. A particular attention will be paid to third part verification process as an essential element of the certification system. However, more research, consultative workshops, awareness and market development activities will be required to achieve the expected outcome. The PDF B will determine the exact nature of activities to be financed from GEF incremental costs.

Development of models for nature-based tourism

33. SANP and FFI are working together with the Grootbos Private Nature Reserve, an ecotourism operation on the western Agulhas Plain. With the support of NORAD, SANP supported the development of bed-and-breakfast businesses in the local communities of Elim. However, more funds are needed to improve the infrastructure in the region, promote the eco-tourism and build the capacity of the local communities to establish their own micro-enterprises. Many of these opportunities are coordinated in the region by the Fynbos Ecotourism Forum, which aims to promote sustainable, fynbos-based tourism on private and community-owned land. SANP have already committed funds for the next five years to build the infrastructure for tourism in Agulhas National Park. However, the first priority will be the participatory development of a coherent framework for nature-based tourism in and around the Park and an increased involvement of the local communities. Therefore, the project would lift the technical and economic barriers, by building the capacity of the main stakeholders, including local communities to work in partnership to develop a framework for ecotourism in the region where all actors will benefit. The PDF B will determine the type of models to be developed in the region and funded by GEF.
34. The indiscriminate coastal development is largely connected with tourism. Several government authorities have an interest in this issue, but the lead roles are played by the Chief Directorate of Planning in the Western Cape Department of Planning and the Overberg District Council. Currently, these authorities have neither the resources, nor the information needed to undertake bioregional planning as envisaged by the CAPE Strategy, hence the nature and scale of the threat. The project will address this by providing an overall tourism strategy for the Agulhas Plain and by raising awareness of planning authorities of the need for bioregional planning.

Project Rationale and Objectives:

35. Project Objective: Biodiversity conservation of the Agulhas Plain, through establishment and implementation of effective, inter-sectoral, participatory planning and sustainable management of natural ecosystems and associated landscapes inside and outside National Park, and mechanisms to support replication of these activities at other priority conservation sites.
36. Project rationale: ABI is a coherent and comprehensive program designed to address a multiplicity of inter-linked conservation, development and socio-economic aspects in the Agulhas Plain. The baseline scenario is that the existing institutions concerned with conservation would continue to work in isolation and based on a sectoral approach, with inadequate capacity to establish an integrated management system for the entire area, or to implement sustainable harvesting practices for the wild fynbos flowers. The private landowners and local communities will fail to understand the long-term benefits of fynbos conservation, without the development of incentives and mechanisms to ensure their direct participation and benefit from the sustainable use of the resources and control of fires and alien species. Consequently, they will sell or transform pristine lowland fynbos to vineyards or cultivated flowers, which are very profitable on a short-term. In the absence of an integrated management plan for the Agulhas Plain, expected impacts (resulting from cultivation, spread of invasive species and unsustainable resource use) would result in loss of globally significant lowland fynbos biodiversity.
37. Agulhas Biodiversity Initiative aims to complement significant baseline activities already underway by SANP, FFI and their partners, for the conservation of the globally significant biodiversity of Agulhas Plain. The GEF Alternative is necessary for assisting the executing agencies to provide an innovative approach to integrated, inter-sectoral conservation management, through enhancing the public/private partnership to collaboratively address the main threats to biodiversity. The GEF Alternative will, therefore, assist the proponents to conserve biodiversity inside and outside protected areas, while ensuring the equitable share of benefits among the stakeholders, including local communities.
38. The GEF increment will contribute directly to addressing the threats to the globally significant biodiversity in Agulhas Plain. In addition, it will lift the institutional and technical barriers by building the capacity of the conservation agencies, NGOs, private landowners, and local communities in Agulhas Plain to work in partnership to develop and implement new models for participatory management planning, for sustainable use of fynbos resources, and for nature-based tourism inside and outside the National Park. In addition, the GEF increment will remove the barriers associated with the lack of awareness of the benefits resulted from fynbos conservation and management by supporting the development and implementation of a fynbos awareness strategy targeted at the main stakeholders.

Expected outcomes and activities of Full Project:

39. The GEF Alternative - *to be developed with the PDF-B resources and co-financing* - is expected to result in the (1) development and implementation of a participatory conservation management plan for the Agulhas National Park and Agulhas Plain as a whole; (2) development and implementation, in demonstration sites, of a model for sustainable harvesting of wildflowers in lowland fynbos in Agulhas Plain, including in the “category 2” areas of Agulhas National Park; (3) establishment of a strategic planning framework for nature-based tourism in Agulhas Plain, inside and outside the Park; and

- (4) building the local and national support for biodiversity conservation through a public awareness program. In addition, the GEF Alternative will support replication of the models developed and experience gained in other regions of South Africa.
40. The proposed project components cover the main themes of the CAPE Program, namely Component 1. Conserving biodiversity in priority areas (Strengthening on-reserve conservation) and Component 2. Using resources sustainably (Improving the sustainability of harvesting and Promoting sustainable nature-based tourism). Component 3 of the CAPE Program – Strengthening institutions and governance is a cross-cutting theme which is integrated in all four components of ABI.
41. The following is a description of the types of activities that the GEF Alternative may be expected to undertake during the Full project. The exact nature of the GEF increment will be determined during the PDF B, but is expected to cover activities that directly address threats to globally significant biodiversity in the Agulhas Plain, and lift barriers to the sustainable use, management and replication of successful models in the Agulhas National Park as well as in the conservancies and productive landscapes outside the Park. This project will be carried out by SANP and FFI, together with other key partners, under the overall umbrella of the CAPE Program, over a period of five years. ABI will promote the following outcomes (these will probably be subject to revision or supplementation based on the findings and results of PDF B activities):

COMPONENTS AND ACTIVITIES:

Component 1: Development and implementation of conservation planning and management system

42. This component falls under Theme 1 of the CAPE Strategy Program - Conserving biodiversity in priority areas – Strengthening on-reserve conservation. Since this project component will cover conservation management activities for the entire project site (inside and outside National Park), it will be coordinated by SANP and implemented in close collaboration with the implementation structures for the CAPE Programme, WCNCB, conservancies, Botanical Society and private land-owners.
43. The outcome will be achieved through: (a) establishing of park administrative structures; (b) capacity building of the park staff; (c) establishment of participatory collaborative park planning and management systems; (d) integrate cultural heritage concerns into management planning; (e) develop and initiate a fire management strategy; (f) alien vegetation clearance programme; (g) rehabilitation and restoration of degraded lands; (h) assessment of biosphere reserve status for the entire Agulhas plain; and (i) development and implementation of a strategy for increasing the land under conservation management.
- Establish park administrative structures: This sub-component implemented by SANP in Agulhas National Park would (i) provide staff; (ii) establish the Park Committee; (iii) provide buildings, including visitor center, entrance gates and information points; (iv) provide facilities and equipment for visitor center; (v) provide vehicles; and (vi) field equipment.
 - Capacity building will be implemented by SANP in Agulhas National Park. Based on the a participatory institutional and staff needs assessment undertaken in the early stage, the project would (i) develop and implementation of training modules for park staff, including training in park ranger skills, GIS/Information management and in working

together with private land-owners; and (ii) organize study tours and exchange programs with other parks.

- Establishment of participatory collaborative conservation management system for the Agulhas Plain will be implemented by SANP in close collaboration with WCNCB and other stakeholders through (i) baseline ecological surveys to form the basis of the conservation area management plans; (ii) stakeholder analysis and consultation; (iii) develop and conduct biodiversity monitoring systems; and (iv) develop collaborative conservation management plan, which would include: boundary analysis, zoning and management plan development.
- Integrate cultural heritage concerns into management planning. The project would support (i) gathering of information about the cultural heritage sites in the Agulhas Plain and (ii) development of recommendations on the requirements for their protection which have to be integrated in park planning.
- Develop and initiate a fire management strategy for the entire project site, will built upon SANP and WCNCB experience and will be achieved by both organizations working together with the main stakeholders through (i) stakeholder identification; (ii) development of participatory mechanisms to involve the identified stakeholders, through creation of Fire Management Committee; (iii) establish rapid-response units for fire management and control; (iv) assessment and mapping of the area; and (v) develop the GIS-based fire management plan.
- Alien vegetation clearance program will be implemented in selected demonstration sites within the entire project site and will build upon the SANP and WCNCB experience in the region. This sub-component will be achieved by (i) participatory identification of priority areas in the project site for further alien clearance; (ii) development and testing of alien clearance techniques that provide incentives to land owners; (iii) adapting the existing alien monitoring system; and (iv) identifying the priorities for follow-up.
- Rehabilitation and restoration of degraded areas will be achieved by (i) participatory identification of priority areas to be restored and (ii) development and implementation of restoration plan.
- Assessment of Biosphere Reserve status, through stakeholder consultation, based on the bio-regional planning process undertaken in the area.
- Development and Implementation of a strategy for increasing the area of land under conservation management will be achieved by SANP working in close collaboration with FFI, WCNCB, private land owners, Botanical Society through (i) land acquisition through purchase; (ii) contractual agreements with SANP, including building capacity of SANP and WCNCB extension personnel for on-farm conservation areas, negotiating farmer agreements, etc.; (iii) support and development of conservation management guidelines for Walker Bay Fynbos Conservancy as a model for public/private partnership in conservation, to be replicated throughout CFK; and (iv) working in partnership with the Botanical Society to develop innovative mechanisms to enhance the biodiversity conservation on private land (test willingness of farmers to undergo development restrictions in exchange for suitable incentives, etc.)

Component 2: Development and implementation of a model for sustainable harvesting of wildflowers in lowland fynbos

44. This project component will contribute significantly to achieving the goal of Component 2 of the CAPE Strategy Program, namely “Using resources sustainably – Improving the sustainability of harvesting”. This component will be implemented by Fauna & Flora International and Flower Valley Conservation Trust (FVCT) in close collaboration with WCNCB, SANP, Botanical Society, Walker Bay Fynbos Conservancy and private farmers.
45. The component will entail: (i) research on current harvesting practices; (b) identification and implementation of harvesting levels sustainable at the ecosystem level; (c) designing and establishment a biodiversity monitoring program; (d) support the establishment of certification system; (e) identification and implementation of biodiversity –friendly micro-enterprises using fynbos products for the local communities in the project area; (f) market survey; and (g) development of a replication strategy to extrapolate the best practices to other communities, private landowners and commercial farms in other areas in the region.
- Targeted research on current harvesting situation will provide financial assistance to a masters level student to: (i) Conduct a baseline study on the resource base and the level and type of harvest; (ii) gather information on the different patterns of fynbos exploitation; and (iii) undertake harvesting impact studies on fynbos habitat.
 - Determine and implement levels of harvesting that are sustainable at the ecosystem level will (i) determine sustainable biodiversity friendly harvesting methods; and (ii) implement sustainable harvesting methods at Flower Valley farm and other demonstration sites, with the Flower Valley Conservation Trust.
 - Design and establish a biological monitoring program will (i) provide the equipment to Flower Valley Conservation Trust; (ii) design a biological monitoring system for harvested fynbos flowers; and (iii) support the continuous data collecting and processing for long term monitoring and evaluation.
 - *Support the establishment of an appropriate certification system will be achieved through working together with West Cape Nature Conservation Board, Botanical Society, and farm owners to undertake an (i) institutional needs assessment for a coherent certification system; (ii) capacity building, based on the needs assessment recommendations, including training for the certification agency staff and the flower pickers; (iii) develop the guidelines for an internationally recognized certification system; (iv) research and identify a recognized 3rd party monitoring and evaluation agency; and (v) determine the species to be certified and the protocols for each species.*
 - *Identification and implementation of biodiversity –friendly micro-enterprises using fynbos products for the local communities in the project area will entail (i) economic valuation of resource use options in close collaboration with communities, including, but not limited to: essential oils, handmade paper, Christmas decorations, medicinal plants, handicrafts etc.; (ii) establishment of participatory mechanisms to encourage local communities participation in micro-enterprise development, including stakeholder analysis, establishment of resource-use committees and facilitated*

workshop with the resource-use committees for participatory design and implementation of alternative livelihoods; (iii) establishment of mechanisms to support economic development activities that are compatible with conservation objectives, through development of decision making mechanisms and criteria for selection of appropriate business opportunities, and provision of funds to support acceptable development activities; and (iv) provision of funds to support biodiversity-friendly community-based micro-enterprises

- Market survey , will entail a survey of interests of local and international importers primarily USA, UK and other EU countries, Japan, etc., in parallel with identification of production potential of community processing systems and the development of a marketing strategy.
- Development of a replication strategy to extrapolate the best practices to other areas in the region. Based on a participatory identification of the areas interested in replicating the model the project will provide financial assistance to organize exchange programs between the agencies/farms/community associations.

Component 3: Establishment of a strategic planning framework for nature-based tourism in Agulhas National Park

46. This component will provide a pilot project to be used in the future for the implementation of sub-component 2.3 of the Cape Strategy Program on “Promoting sustainable nature-based tourism. This component covers the entire project site and will be implemented by South African National Parks in Agulhas National park and by SANP, WCNCB and other relevant agencies in areas outside SANP jurisdiction in Agulhas Plain and will entail (a) participatory assessment of potential nature-based tourism opportunities that support conservation objectives; (b) development the local community capacity to participate in nature-based tourism; (c) development and implementation of an integrated tourism monitoring system; (d) establishment of a nature-based tourism strategy for Agulhas National Park; (e) development and maintenance of an appropriate tourism infrastructure in the Agulhas National Park; and (f) development of a replication strategy.
- Participatory assessment of potential nature-based tourism opportunities that support conservation objectives will cover the costs associated with the (i) **compilation of the most recent statistics and potential market growth for nature/cultural tourism for the Cape region in the context of tourism trends for South Africa;** (ii) **assessment of a sample of other similar nature-based tourism initiatives in South Africa in order to assess the tourism potential of the Agulhas plain;** (iii) **assessments of likely natural and cultural tourism attractions in the area;** (iv) **determine the carrying capacity for different zones and different tourism activities;** (v) **review and adapt the regulations to control the nature and level of activities;** and (vi) **organize and conduct stakeholder workshops to disseminate results and identify capacity and interest in participation in nature-based tourism activities.**
 - Develop local community capacity to participate in nature-based tourism will entail (i) identification of potential profitable nature-based tourism activities for local community involvement, especially the historically disadvantaged; (ii) establishment of community tourism associations; (iii) participatory training needs assessment and implementation of training modules: local guides, running a B&B, business plan development etc; and (iv)

development and implementation of micro-credit schemes to support local communities initiatives in nature-based tourism.

- Develop and implement an integrated tourism monitoring system will include: (i) the design of a Tourism Information System; (ii) monitoring tourism patterns, scale and trends; (iii) monitoring the tourism impact on biodiversity; and (iv) monitoring the tourism impact on the regional economy.
- Develop a nature-based tourism strategy for Agulhas National Park will entail (i) development of a detailed implementation plan for the establishment of a nature-based ecotourism infrastructure and services for the Agulhas plain; (ii) review of target market and activities for both nature and cultural-based tourism to be offered; (iii) identification of investment requirements, potential private sector investors and partners; (iv) identification of links with other tourism services and products (to offer a broader range of activities to potential visitors); (v) identification and contact potential local and international marketing partners; (vi) undertake an overall financial modeling and operating expenditure; (vii) development of mechanism to ensure accessibility for local community to the resource; and (viii) support the adoption of bioregional planning for development by local authorities.
- Development and maintenance of an appropriate tourism infrastructure in the Agulhas National Park will cover the funds associated with the (i) design and lay-out for infrastructure; (ii) building day walking trails; (iii) building over night trail and facilities; (iv) camping facilities; (v) local village-style rest camps; and (vi) provision of small interpretation centers, signage, information boards, bird hides, whale and seal watching structures.
- *Development of a replication strategy. The project will support the (i) identification and prioritization of areas for replication; and the (ii) development of mechanisms to replicate the sustainable nature-based tourism throughout the region, such as exchange programs, training, providing expert assistance to other sites in the region.*

Component 4: Build local support for biodiversity conservation through public awareness and environmental education programs

47. This project component is a cross-cutting theme identified in the CAPE Strategy Program. SANP and FVCT together with their partners will implement this component through the development and implementation of targeted action plans for raising the awareness of specific stakeholder groups and the general public about the importance of, and opportunities for, biodiversity conservation in the Agulhas Plain. This component will also address the issue of indiscriminate coastal development through the mechanism of bioregional planning, by raising awareness within planning authorities of the need to integrate biodiversity considerations into development plans.

- Develop and implement of a Fynbos Awareness Strategy promoting the benefits derived from conservation and sustainable harvesting of fynbos will entail (i) review the status, trends and historical context of fynbos ecosystems and their management, together with their ecological, economic and cultural significance in Agulhas Plain; (ii) identification and prioritization of key constraints to conservation and sustainable management of fynbos caused by lack of awareness on the part of identified stakeholder groups – this

activity will be based upon the results obtained in component 2 on reviewing the current production and assessment of the production potential and reviewing existing and potential impacts and influence of key stakeholder groups on fynbos management and biodiversity in Agulhas plain; (iii) identification of cost effective delivery mechanisms to address these information needs; and (iv) deliver the awareness program targeted at different audiences.

Sustainability and replicability of the full project

48. Project design has addressed institutional sustainability through strengthening the capacity of SANP and its key partners to develop and implement participatory conservation management plans and models for sustainable use of natural resources for most of the Agulhas Plain. South Africa National Parks, which has strong institutional capacity and a proven track record for parks' management at the country level will have lead responsibility for project implementation and will continue to manage the Agulhas National Park after the end of the project. Initiatives to engage local communities and other local stakeholders, including private landowners, in project preparation and implementation and in sharing the benefits from lowland fynbos conservation and sustainable use should contribute to social sustainability. With regards to financial sustainability, SANP has demonstrated consistent financial commitment to purchase land in Agulhas Plain, promote contractual agreements, provide the staff for the Agulhas National Park, since 1996 and for the implementation of the ongoing GEF – financed projects in Cape Peninsula National Park, Addo National Park and Namaqualand. SANP have committed to contribute to the recurrent costs of the project, and to financially support National Park management after completion of the project. The biodiversity-friendly micro-enterprises based on fynbos resources, which will developed as a result of the project, will increase the livelihoods of the local communities and will provide the financial mechanisms to support conservation outside the National Park. In addition, the project will review and support establishment of a certification system to provide for higher priced markets for the wild fynbos flowers derived from sustainable harvested fynbos. Both SANP and FFI will provide contributions to support sustainable conservation and public awareness from revenue generation more directly related to park.
49. The experience gained and participatory models developed in the project preparation and implementation have a high potential to be replicated elsewhere in the Cape Floral Kingdom and in South Africa. The project would support the development of a replication strategy, as a part of the development and implementation of sustainable resource use component.

Country Eligibility:

50. South Africa ratified the Convention on Biological Diversity on 2 November 1995. The project is consistent with GEF Operational Strategy and with Operational Program 1 on Arid and Semi-arid ecosystems. ABI's focus, specifically on *in-situ* conservation, supports implementation of Article 8 of the Convention on Biological Diversity by strengthening support for protected areas. The project also addresses the GEF 1999 Action Plan on Land Degradation, as well as CBD COP 5 guidance on focusing on Drylands. The project is consistent with Agenda 21, and guidance from the Conference of the Parties, since it will promote conservation, management and sustainable use of natural resources, which include endangered and vulnerable species; involve local communities

and build partnerships at local, national and international levels and promote cost effective measures to conserve biodiversity.

Stakeholders involved in project:

51. The key stakeholders relevant to project objectives are:
- Governmental organizations: Department of Environmental Affairs and Tourism, Department of Agriculture, Department of Water Affairs and Forestry
 - Parastatal agencies: South African National Parks, West Cape Nature Conservation Board, Western Cape Tourism Board, National Botanical Institute
 - Local authorities: Overberg District Council, Bredasdorp municipality, Hermannus municipality, Planning Department of Western Cape, Overberg Tourism, Local Tourism Bureaus
 - Local communities: Struisbaai, Gansbaai, De Kelders, Pearly Beach, Bredarsdorp and Agulhas towns; Baardskeerdersbos, Viljoenshof and Elim mission villages; and communities living near the farms
 - Academic community: Universities of Cape Town, of Western Cape, Stellenbosch, Grahamstown and Port Elizabeth, Cape Technicon
 - Private sector: Walker Bay Fynbos Conservancy, Grootbos Private Reserve, Tourism related businesses, tour operators, fynbos farmers
 - Local and national NGOs: Flower Valley Conservation Trust and Botanical Society of South Africa
 - International NGOs: Fauna & Flora International
52. During the course of the preparation and implementation process, SANP, FFI and their key partners will organize consultative workshops with these stakeholders to ensure that: (a) community input is fully considered and integrated for data collection purposes; (b) communities are aware of project objectives and activities; (c) communities participate in project design and implementation; and (d) project development is integrated with ongoing and planned initiatives in the country and particularly the project area.

Information on project proposer:

53. South African National Parks is the statutory agency responsible for the national network of protected areas. Its mission is to acquire and manage a system of national parks that represents the indigenous wildlife, vegetation, landscapes and significant cultural assets of South Africa, for the joy and benefit and spiritual well being of the nation and the people of the world.
54. Fauna & Flora International is the world's longest established international conservation organization. Its mission is conservation of threatened species and ecosystems worldwide, choosing solutions that are sustainable, are based on sound science and take account of human needs.

Financing Plan of Full project

55. Agulhas Biodiversity Initiative is a five year project with a total estimated cost of about US \$ 10,470,000, of which US\$ 7,200,000 is expected to be contributed by the SANP, FFI and others and about US\$ 3,270,000 is requested from GEF. This is a ratio of about 32% GEF to 68% other co-financing. The exact budget and contributions will be finalized during the PDF B. The total value of the preparation activities under the PDF B

is US\$ 121,550, of which SANP requests PDF B grant of US\$ 78,550. The project preparation phase will take five months (see attached TOR).

56. GEF funding for the ABI will be counted as part of the GEF contribution to the overall CAPE Programme. ABI funding will be disbursed through UNDP-GEF according to the financial mechanisms to be established for the CAPE Programme, however, this will be conditional upon whether the CAPE Programme is operational by the time ABI enters the Work Programme.

IA coordination and Linkages to GEF and IA programs and activities

57. GEF activities with potential influence on the proposed project. The project will build upon SANP experience in implementing part of the GEF-financed Cape Peninsula Biodiversity Project, which started in 1997 and is administered by the World Bank. In fact, ABI was identified as a result of the broad consultation process facilitated by the CAPE component of the above project. ABI is one of the core projects for the implementation of the Cape Action Plan for Environment (combining together three of the 37 core projects) and is an integral component of the CAPE Program. ABI will build upon the experience gained in the GEF/World bank – financed Addo Elephant project in Eastern Cape which is implemented by SANP and is currently in the preparation phase.
58. Linkages to UNDP projects in the area . UNDP is currently implementing a L.I.F.E. (Local Initiative Facility for Urban Environment) project in the Cape area, which was launched in 1999. LIFE uses urban environmental-small scale projects to promote dialogue at local level amongst and between stakeholders, the community at large and local authorities in an effort to promote public-public partnerships. The main objectives are: (i) to demonstrate local solutions to urban environment problems; (ii) to strengthen institutional capacities and collaboration through small-scale projects involving NGOs, CBOs and local authorities; (iii) to facilitate policy dialogue at grassroots level and scaling up based on local initiatives through national and local consultations involving NGOs, CBOs and local authorities; and (iv) to promote the exchange and replication of successful approaches and innovations. ABI will build upon the experience gained in the LIFE project in the development of partnerships and broad-scale stakeholder consultation and participation in decision making process. In addition, the LIFE Project manager will be invited to be a part of the ABI Project Oversight Committee.
59. The NBSAP will be implemented through the National DEAT, with UNDP-GEF assistance. The projects will liaise with each other in order to transfer lessons learnt. Finally, the project will remain in contact with the pipeline project in the Wild Coast, particularly with its component on promoting models for eco-tourism being co-financed through the EU.
60. ***Consultation, Coordination and Collaboration between IAs, and IAs and Eas. Since, ABI is a component of the CAPE Program, the detailed institutional arrangements for project implementation will be decided in close collaboration with the CAPE process, following participatory consultations with the main stakeholders during project preparation stage. Currently the CAPE Coordinating Committee, SANP and DEAT are in the process of identifying the structure/agency/mechanism, which will be responsible for the coordination of the agencies implementing CAPE Program and implementation of the programmatic approach. In addition, discussions are underway between donor agencies and South African executing agencies on the best option for the***

programmatic approach. Moreover, particular attention will be paid on the proposed World Heritage Authority and the relationships between various agencies with conservation management mandate in CFK.

61. One of the suggestion for ABI implementation was to establish a Project Oversight Committee composed of representatives of the Cape Coordinating Committee, SANP, WCNCB, Botanical Society, FVCT, Walker Bay Fynbos Conservancy, Project Manager of UNDP LIFE Project, UNDP-GEF, WWF-SA, FFI, private landowners and others to be determined during the PDF B. The Project Oversight Committee will be chaired by the CAPE implementing structures (to be decided) and will be responsible for providing project oversight advice and assistance in resolving issues associated with project implementation. The composition of the Project Oversight Committee will be decided during the PDF B phase.

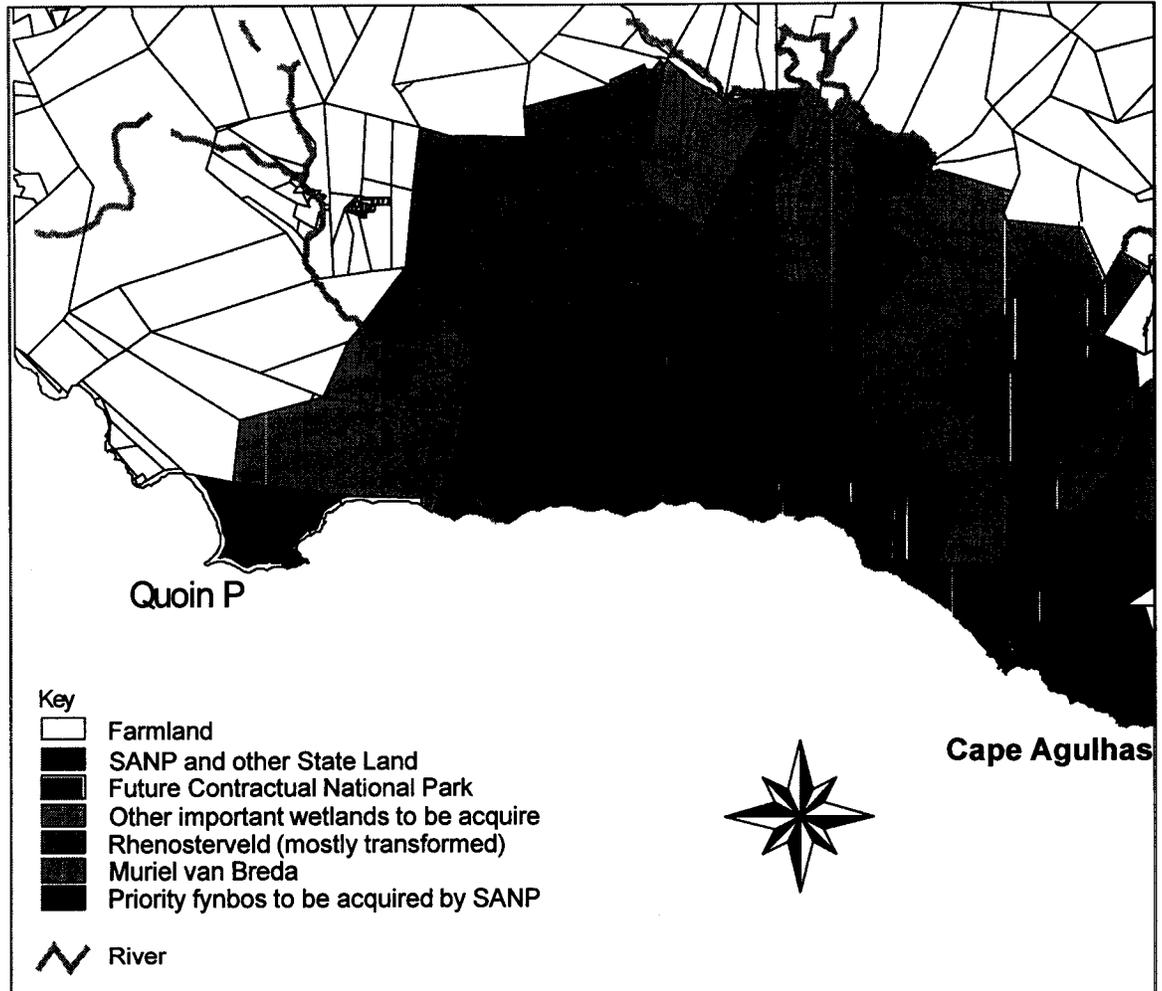
62. The two preparation processes, for ABI and CAPE, will be used to synchronize all the activities under one programmatic framework (the CAPE Program) and one common institutional setting. This is conditional however, upon the pace at which the two preparation processes run parallel to each other. It is accepted that, within reason, ABI will not be subject to delays caused by the pace of the preparation of the CAPE programme. If such delays do occur, finalization of the ABI design will continue, but the ABI structure will be kept flexible to accommodate the CAPE framework when it does come on line.

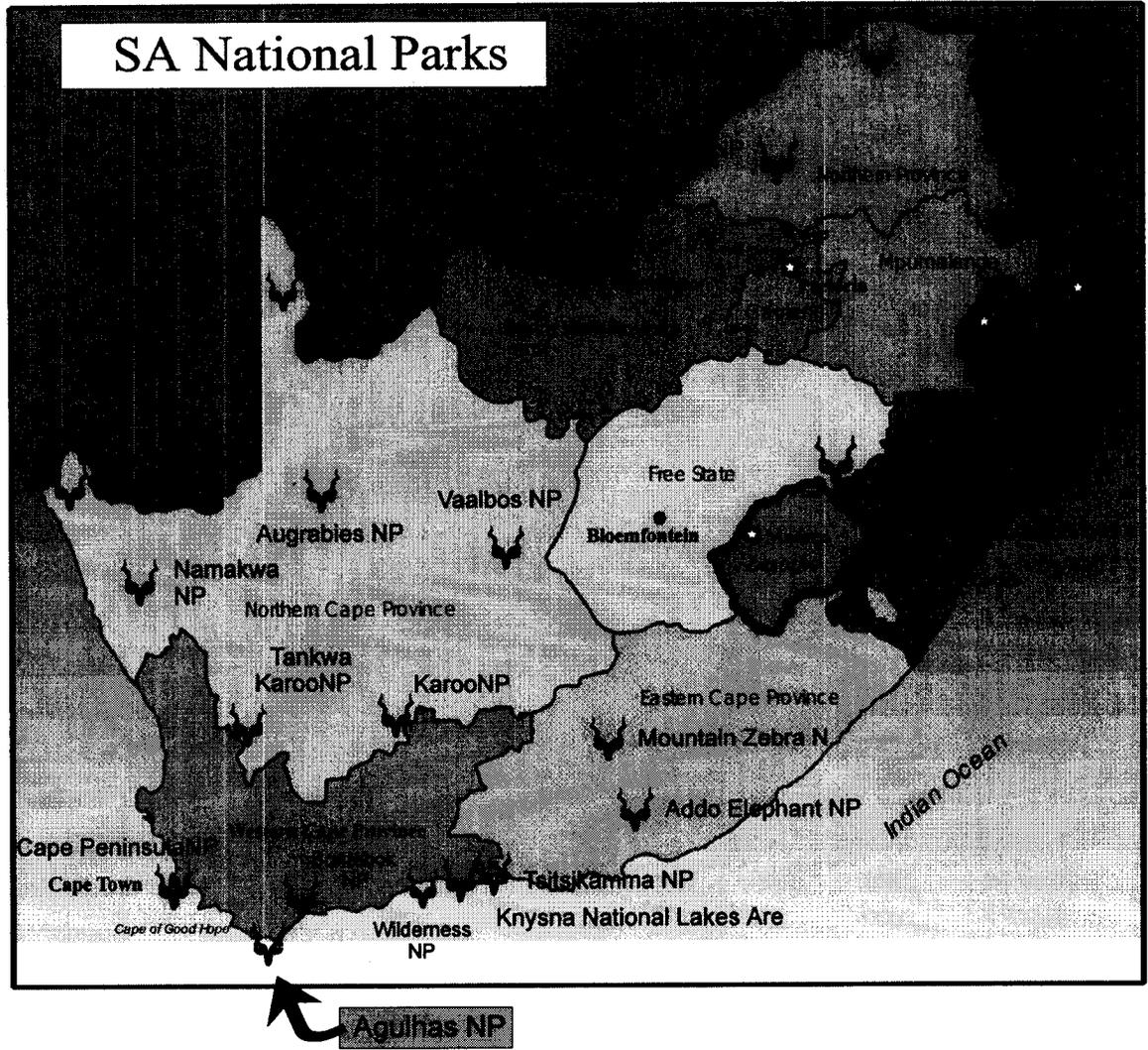
Attachments:

Maps of project area

Agulhas National Park

(June 2000)





scan + file
 file Agulhas
BD



**DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND TOURISM
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Dear Dr Nasser-Fuller

LETTER OF ENDORSEMENT

**AGULHAS BIODIVERSITY INITIATIVE - PROJECT PROPOSED BY SOUTH AFRICAN NATIONAL
PARKS AND WILDLIFE & FLOWERS INTERNATIONAL**

Agulhas National Park located in the Southernmost tip of Africa represents one of the conservation priorities identified by South Africa under the CAPE Biodiversity Strategy and Action Plan for the Cape Floral Kingdom (CFK) developed with GEF assistance and launched in September, 2000. The CAPE Action Plan, which is the first strategy developed for an entire biodiversity hotspot, showed that although 11% of the CFK is formally protected, not all listed Threatened Taxa (TT) are adequately protected. Therefore, one of the major recommendations of the Plan was to "explore opportunities in less transformed landscapes, such as the Agulhas Plain, to establish reserve systems that will achieve targets for TTs as well as meet targets for the conservation."

Agulhas National Park is a very important component of Cape Floral Kingdom (CFK), the smallest and richest of the world's six plant kingdoms. Agulhas Plain has rich plant diversity with 2,000 indigenous species, including 1/2 in the Red Data Book and 100 locally endemic and unique vegetation types, such as *Elym aeneum* forests on granite hills.

***CAPE - Cape Action Plan for the Environment**

The Agulhas Biobiodiversity Initiative (ABI) project proposed by the South African National Parks together with four international partners. Funding from international would assist South Africa towards achieving its obligations under international agreements, while addressing the goal of the CAPE Action Plan to ensure that "the natural environment and biodiversity of the OPG are effectively conserved and restored wherever appropriate, and delivering significant benefits to the people of the region, in a way that is embraced by local communities, endorsed by government and recognized internationally."

ABI represents an integral component of the CAPE Program and combines three of the 37 core projects identified as priorities in the CAPE process. In addition, ABI addresses all the objectives and priority actions identified in the above strategy related to (i) conserving biodiversity in priority areas; (ii) using resources sustainably; and (iii) strengthening institutions.

Taking into account the above strategy, together with the commitment at both national and local level for the conservation and management of the inland fynbos biodiversity of the Agulhas Plain, the National GEF Operational Plan will endorse the proposed project.

We look forward to a good cooperation for biodiversity conservation in South Africa.

Yours sincerely

DR. CHRISTIAN OLVER
NATIONAL OPERATIONAL LOCAL POINT

(2 - 1 - 0)