

Global Environment Facility
Proposal for a PDF Block B Grant of US\$85,000

Country:	Republic of South Africa
Project:	Cape Peninsula Biodiversity Conservation
GEF Focal Area	Biodiversity
Project Cost	About US\$25 million
Financiers	National Parks Board, Local Authorities, donors to Table Mountain Fund and GEF (\$8-10m)
Requesting Agency	World Bank
Executing Agency	National Parks Board
PDF Block B Request	US\$85,000
Cofinancing	US\$1.3 million (National Parks Board and WWF)
Block A Grant Awarded?	No

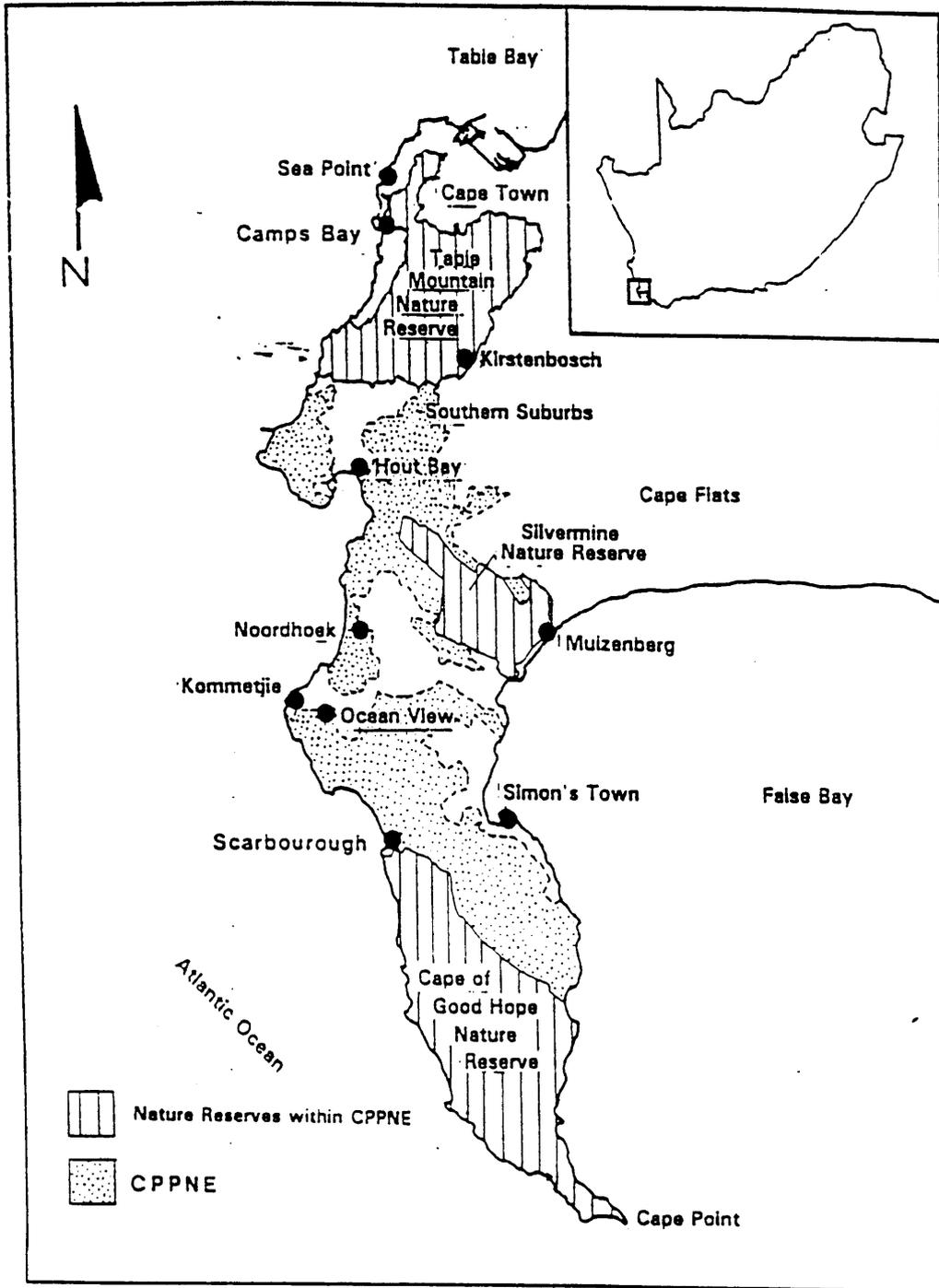
Summary of Project Objectives

1. The proposed Cape Peninsula Biodiversity Conservation Project would conserve the unique, globally significant and threatened biodiversity of South Africa's Cape Peninsula and strengthen conservation management of the entire Cape Floristic Region. It would achieve these objectives by: (a) establishing and initially operating a new National Park, comprising all the public lands on the Cape Peninsula; (b) supporting a trust fund established by the World Wildlife Fund - South Africa (WWF-SA) to provide sustainable financing for complementary, mainly NGO-implemented biodiversity conservation activities in and around the new national park and; and (c) preparing a conservation management strategy and action plan for the entire Cape Floristic Region.

Global Significance and Strategic Framework

2. The World-renowned Cape Peninsula of South Africa is part of the Cape Floristic Region, one of the World's six floral kingdoms. It is an area of exceptionally high floral diversity and endemism at all taxonomic levels. The Cape Peninsula has been described as the world's "hottest biodiversity hot-spot" because it has both the World's highest floral diversity per unit area and highest concentration of endemic plant species. This small area of 471 km² contains 2,285 native plant species, over a quarter of those found in the Cape Floristic Region and more than are found in the entire British Isles. Of these plant species, 105 are endemic, 141 are threatened and 39 have become extinct. The primary vegetation, covering 92% of the area, is the Cape Fynbos, a fire-prone shrubland typical of the Cape Floristic Region and largely unique to it. In addition to the plant species, at least 111 endemic invertebrates have been recorded on the Peninsula. Its threatened vertebrates include three frogs, eight birds and two snakes. The Peninsula is also home to a diversity of coastal and marine ecosystems. Conservation here is both a major challenge and an opportunity. The challenge is that the area is girdled by one of South Africa's fastest growing metropolises and is a world renowned tourist site. The opportunity stems from the area's scenic beauty and popularity as a tourist destination.

Map of the Cape Peninsula



Map of the Cape Peninsula. shaded areas indicate the extent of the Cape Peninsula Protected Natural Environment (CPPNE) and the location of the three existing nature reserves. The national park will encompass all shaded portions.

3. South Africa is in the process of preparing its biodiversity conservation strategy. In the interim, the Government has designated the Cape Peninsula as one of its top conservation priorities and, after extensive public consultation, has decided to upgrade its conservation status to the highest national level - a Schedule 1 National Park. To this end, agreement has been reached in principle that the ownership of all public land on the Cape (80% of the land area, all the striped and shaded areas on the map) will be transferred from the 14 concerned local and provincial authorities to the National Parks Board by the end of 1997. Of the remaining 20% in private hands, critical areas will be acquired if and when the opportunity arises and the larger private landowners will be invited to contract into the Park. The owners of 60% of the private land have expressed interest in doing so. The concerned provincial and local authorities will provide transitional financial support to the new park for period of up to five years, after which it will be entirely the National Parks Board's (NPB) responsibility. By better protecting the park's unique biodiversity, effectively promoting its scenic beauty and upgrading visitor facilities, and by raising admission fees for popular tourist sites, the NPB projects that the park can eventually become environmentally and financially sustainable. The keys to achieving this objective are to: (a) address the major threats to the park's scenic values and to conservation of its biological resources in a timely and cost-effective manner and (b) raise sufficient revenue over the first five years of operation to fund the improvements in visitor facilities needed to bring visitor numbers up to a level consistent with the park's carrying capacity and with financial self-sustainability.

4. In 1993, WWF South African, a prominent national conservation NGO, took the complementary initiative of establishing a trust fund, the Table Mountain Fund, to finance mainly NGO-implemented biodiversity conservation activities in and around the planned national park. The Fund's objective is to provide a sustainable flow of funds from its net income that is sufficient to harness the energies of an enthusiastic and substantial volunteer and low-cost conservation labor force to fill acknowledged gaps in publicly-financed conservation efforts throughout the Cape Peninsula. To date, WWF-SA has raised over R8 million (US\$2.0 million) in local contributions to the Fund. Its target, based on a thorough assessment of NGO capacity and the shortcomings of public conservation programs, is to raise a total of R25 million. The major focus of its programs has been and will be alien plant eradication and control, particularly in areas adjoining the park from which alien species spread into it. The Fund has also supported selected visitor management initiatives, such as walking route maps and signs, and quick-acting crisis response measures, such as oil spill and wildfire recovery. It is credited with making a significant contribution to conservation of the Cape's unique biodiversity and is lauded for its rapid response, its ability to innovate, its public awareness efforts and its capacity to mobilize supplementary conservation actions by private individuals and landowners.

Link to National Development Objectives

5. In addition to conserving biodiversity, better management of the Cape Peninsula ecosystem is consistent with South Africa's national development strategy. The country's immediate development priority is to improve the economic and social conditions its

recently-enfranchised poor and historically disadvantaged majority population. This requires: (a) allocating a larger share of public resources to job creation and provision of basic services by, *inter alia*; increasing earnings from the nation's wealth of natural resources; and (b) maximizing the development benefits of expenditures that are made on natural resource and biodiversity conservation. There is a huge pool of unemployed, low skilled workers in the Cape Town municipal area, which is adjacent to the Cape Peninsula. More effective conservation of the Peninsula's scenic values and ecosystem will require labor-intensive alien vegetation clearing. It will also increase the area's attraction to visitors and the demand for contract labor in both the tourism industry and the new national park. The net result would be substantial numbers of new, low-skilled jobs in an area that sorely needs them. No people will be displaced by the new park, so it will not have any negative social impacts.

Public Consultation and Participation

6. South Africans, particularly those living on or near the Cape, have recognized for many years that environmental management of the Cape Peninsula is inadequate, due mainly to inadequate funding and fragmented management. This led initially to an NGO-led campaign to establish the Table Mountain Fund to supplement slow and inadequate public conservation efforts. Subsequently, a Commission of Enquiry (the Huntley Commission) was appointed to consult the local communities and conservation experts on the strategic options for improving conservation of the Peninsula. The Commission recommended the establishment of a National Park, a proposal which the government accepted and is now implementing.

7. Extensive consultations and negotiations have been held with all stakeholders (provincial and local governments, private landowners, conservation and community NGOs) on the establishment of the national park and on its management arrangements. To ensure that community concerns are factored into conservation planning and management, it has been agreed that two NGO representatives will serve on the fourteen-person Park Management Committee and two will be appointed to the six-person Board of Trustees of the Table Mountain Fund. The World Bank identification mission consulted representatives of over 20 local conservation and community NGOs on the proposed project, all of which are supportive of the new park and the request for GEF assistance. Further NGO consultations will be held on the overall project design and on admissions pricing options during project preparation (see below).

Threats to Biodiversity Conservation

8. The primary threats to the unique flora and fauna of the Cape Peninsula that need to be addressed are: (a) the exponential spread of alien invasive trees and shrubs (which are spreading rapidly, have populated nearly 50% of the remaining natural ecosystem and are out-competing and eradicating the native species); (b) uncontrolled wildfires and oil spills which have destroyed valuable populations of native plant and animal species; (c) rapid urbanization, which is encroaching on the natural areas; and (d) tourism growth.

9. The impact of these threats on the ecosystem has been exacerbated by heretofore uncoordinated conservation management and by inadequate supply and inefficient use of resources. The very act of establishing the new national park will therefore significantly enhance the capacity to address them. It will consolidate the planning and management of all conservation and tourism-related activities on the Peninsula's public lands (80% of the land area) under a single authority. The authority will have unified responsibility and enhanced authority for liaison with local government development planners and with neighboring private land owners on all land use decisions. Coordinated and more technically skilled NPB management will result in a technically sounder and more cost-effective alien plant eradication program, which, if adequately funded in the initial years, should initially control and eventually almost eliminate this problem. Park managers will also have unified responsibility for wildfire management and full control over the available equipment. Visitor facilities, user regulations and admission pricing will also be under the control of a single authority dedicated to both effective conservation and the achievement of financial sustainability.

10. The major difficulties that the new conservation management system will face are: (a) inadequate financial resources in the initial years of operation to address the park's most urgent biodiversity conservation needs (particularly the major alien plant problem) at a time when this efforts would minimize further species loss and be most cost-effective but the provincial and local governments will be phasing out their financial support; (b) shortage of resources to upgrade visitor facilities and management systems, which must be improved to minimize visitor impacts and achieve longer-term financial sustainability; (c) relatively cumbersome and slow emergency response procedures and limited capacity, which are typical of a publicly-managed institution, such as a park authority; and (d) insufficient resources to address the conservation management in the remainder of the Cape Floristic Region, which lacks the Cape Peninsula's visitor revenue potential.

Rationale for GEF Assistance

11. GEF assistance would help to overcome these shortcomings and thereby generate significant additional global biodiversity conservation benefits by reducing the resource constraint that the park will otherwise face over its initial five years of operation. The GEF resources would: (a) accelerate the Park's alien species eradication and control program, which would reduce future loss of endemic species, and increase its emergency response capacity (to oil spills and wildfires); (b) facilitate the early achievement of financial sustainability by freeing admission revenues for investment in improved visitor facilities, thus promoting financial sustainability securing the benefits of more effective conservation in perpetuity; (c) expand the resources of the Table Mountain Fund to support an expanded program of innovative, cost-effective and mainly NGO-managed conservation initiatives, thus tapping into the large pool of volunteer and low-cost labor and the creative energy of the NGO conservation movement to complement the National Park's conservation efforts; and (d) initiate strategic conservation planning for the entire Cape Floristic Region, which resource scarcity will otherwise hamper.

Summary Project Description

12. The project would consist of the following major components:

(i) Design and implementation of a five year terrestrial and marine biodiversity conservation program for the new Cape Peninsula National Park, the major elements of which will be: (a) aggressive alien plant eradication and control; (b) effective fire prevention and management; (c) launch of a first marine conservation program for the Cape Peninsula; and (d) development of a comprehensive environmental information system, a targeted conservation research program focused on alternative alien species eradication methods, and a conservation monitoring and evaluation system. These components will involve incremental costs to achieve global environment benefits, so GEF support will be requested for them.

(ii) Design and implementation of a visitor development and management program, comprising: (a) the upgrade of visitor facilities (access roads and paths, view points, parking, restaurant, gift shop and toilet facilities, educational materials, user regulations and sign posting, etc.); and (b) analysis of and stakeholder consultation on admission pricing options and introduction of an admission fee policy that represents an appropriate balance between the twin objectives of revenue generation and social equity. These components are part of the baseline management plan for the Park and GEF financing will not be requested.

(iii) Support to the Table Mountain Fund, an existing conservation trust fund established by WWF-SA to support mainly NGO-managed conservation initiatives on the Cape Peninsula, such as alien plant eradication and control, emergency response, visitor behavior guidelines, etc. The activities financed by the Fund will complement and reinforce the national park's own conservation management efforts. GEF support will be requested to achieve the additional global benefits of a larger trust fund than is feasible through national fund-raising alone.

(iv) Preparation of a comprehensive conservation strategy and action plan for the entire Cape Floristic Region, which will generate global benefits and for which GEF support will be requested.

Preparatory Activities for which GEF Support is Requested

13. As outlined in paragraph 12 below, the National Parks Board is mid-way through a major two-year program of work to establish the new national park and plan its management and operations. This program is estimated to cost about US\$1.3 million in total and is being funded largely by the NPB. WWF-SA has also invested considerable expense and effort to design and launch of the complementary Table Mountain Fund and to raise the US\$2 million that has already been contributed locally to the Fund. To

expand the baseline biodiversity conservation program for the Cape Peninsula with the addition of GEF support in order to achieve additional global environment benefits, the following supplementary preparatory activities would be undertaken for which PDF funds are requested:

(a) **Conservation Threats and Strategic Priorities in the Cape Floristic Region.** Existing information on the conservation threats and strategic action priorities in the entire Region would be synthesized in a single document, which would provide a strategic vision for conservation planning and management of the Region's unique biodiversity.

(b) **Pilot Marine Biodiversity Conservation Program.** Existing information on the marine biodiversity of the Cape, the major threats to it and the priorities for more effective conservation would be assembled and a pilot marine conservation program designed for incorporation into the park management plan and budget.

(c) **Alien Plant Control Options Assessment and Research Program.** The cost-effectiveness of the various alien plant eradication and control techniques that have been tried on the Cape Peninsula will be assessed. Lessons will be derived for the design of future efforts and factored into this major component of the park management program. Research needs will be identified and built into the design of a targeted alien plant research program.

(d) **Environmental Information and Monitoring and Evaluation Systems.** Existing environmental information on the Cape Peninsula will be reviewed, its capacity assessed and technical shortcomings and gaps relative to conservation management information requirements identified. Based on this assessment, an environmental information upgrade program will be designed and costed for incorporation into the park management budget.

(e) **Park Management Budget and Financial Projections.** Based on the above analyses and the extensive information that has already been assembled on conservation and visitor management requirements (see next paragraph), a detailed ten-year management program and investment budget would be prepared for the new national park, together with revenue projections based on alternative visitor forecasts and admission pricing policies. Stakeholder consultations would be organized on the pricing options and the results factored into the design of a proposed visitor pricing strategy, which would be used to prepare the final financial projections.

(f) **Trust Fund Project Approval Mechanism.** WWF-SA wishes to involve a wider range of stakeholders in determining: (i) the eligibility criteria for projects to be financed by the Table Mountain Fund; and (ii) the mechanism for selecting projects to receive support. An NGO consultation will be organized to review alternative project eligibility criteria and project approval mechanisms and reach a consensus on the preferred options.

SUMMARY OF PROJECT PREPARATION BUDGET (US\$)

ACTIVITY	PDF	NPB	WWF-SA
Conservation Threats/Strategic Priorities	4,000	15,000	
Marine Biodiversity Conservation	15,000	35,000	
Alien Plant Control Options and Research	8,000	20,000	
Environmental Information, Monitoring and Evaluation	37,000	45,000	
Park Management Budget and Financial Projections	18,000	30,000	
Trust Fund Eligibility and Project Approval Mechanism	3,000		5,000
TOTAL	85,000	145,000	5,000

Cofunded Project Preparation Activities

14. As mentioned above, the National Parks Board has already invested about R6 million in establishing the legal framework and institutional arrangements for the new national park, consulting with the responsible local and provincial governments, private landowners and community groups, and in preparing a initial conservation and visitor management and investment plans. The additional preparatory work outlined above for which GEF cofinancing is sought to capture additional global benefits would build on this substantial foundation.

15. Similarly, WWF - SA has invested considerable, skill, effort and funding in designing, launching and promoting the Table Mountain Fund, and has already succeeded in attracting over R8 million in private contributions to it. WWF is requesting only a modest amount of PDF support to assist in deepening community NGO involvement in the management of the potentially larger trust fund would result from an injection of GEF financial support.

GEF Eligibility

16. South Africa ratified the Biodiversity Convention in November 1995. The Cape Peninsula; (a) is identified as a top priority site in the South African Plan for Nature Conservation; (b) is about to be accorded the highest-possible conservation status - a Schedule 1 National Park; and (c) has been selected as one of the two top national priorities for nomination as a natural World Heritage Site. Its national conservation priority is therefore indisputable. The proposed project is consistent with guidance from the Biodiversity Convention, which has called for emphasis on *in situ* conservation endemic species, especially those in environmentally-vulnerable areas and under serious threat. The project would be part of the GEF Operational Program for Arid and Semi-Arid Zone Ecosystems, which focuses primarily on Africa and areas in the Mediterranean-type climatic zone. Consistent with this Operational Program, GEF funds would help to upgrade the status and management of an existing conservation area and facilitate the achievement of financial sustainability. Many features of the project are also consistent with the Short-Term Window - a vulnerable ecosystem, imminent threats, a special opportunity to achieve sustainability and a high probability of success.

National Level Support

17. The request for GEF assistance was initiated by WWF-SA and the National Parks Board, in collaboration with the Council for Scientific and Industrial Research (CSIR), the National Botanical Institute and the Institute for Plant Conservation of the University of Cape Town. It was formally submitted to the World Bank by the GEF Operational Focal Point and endorsed by both the Minister of Environmental Affairs and Tourism and the Director General of Finance. Twenty two local community and conservation NGOs unanimously endorsed the proposed project and the request for GEF assistance at an initial NGO consultation meeting in Cape Town.

Department of Environmental Affairs and Tourism • Departement van Omgewingsake en Toerisme
 Lefapha la Tikoloho le Bohahlaudi • Umnyango Wezemvelo Nezokuvakasha • Isebe leMicimbi yokuSingqongileyo noKhenketho
 Lefapha la tsa Tikologo le Boeti • Umnyango Wetemvelo Netekuvakasha • Muhasho wa zwa Vhupō na Vhuendi
 Ndzawulo ya ta Mbangi na Vuenzi • Lefapha la Tikologo le Bojanala • Umnyango Wezebhoduluko Nezokuvakatjha



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Brian A D Egan

Mr Robin Broadfield
 Coordinator: GEF Operations
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Dear Mr Broadfield

**APPLICATION TO THE GLOBAL ENVIRONMENT FACILITY FOR A GRANT TO THE
 CAPE PENINSULA BIODIVERSITY CONSERVATION PROJECT**

I wish to confirm our support for above-mentioned application by the WWF-SA for a PDF grant from the GEF to the Cape Peninsula Biodiversity Conservation Project and request that the World Bank act as implementing agency for the project. We have been kept informed throughout the development of the project.

Table Mountain and the Southern Peninsula Chain have been identified as national environmental assets and the proceeds of the grant will be utilised to conserve and protect the rich biodiversity of the area and prevent further serious degradation caused by the uncontrolled spread of invasive alien plants and inappropriate fire regimes.

Yours sincerely

DR F HANEKOM
 DEPUTY DIRECTOR GENERAL
 GEF OPERATIONAL FOCAL POINT: SOUTH AFRICA

1997-02-19