Project Document

United Nations Development Programme
Global Environment Facility

Full Project – Conservation and Sustainable Use of Biodiversity on the South African Wild Coast

PIMS 1767

Brief Description: South Africa has made tremendous strides towards establishing a well-managed national system of PAs. However, the PA estate covers only 6 % of the national territory, and presently is not representative of the full range of major habitat types that demand protection. The country's status as a mega diversity area, characterized by a high turnover of biodiversity across ecological landscapes, amplifies the inherent challenges in establishing and strengthening a representative PA estate. Traditionally PAs have been established on State Land and more recently on private lands under various management agreements with conservation authorities. There is however, an unmet need to establish PAs on communal lands, where several conservation hotspots demanding attention are located, the realization of which demands the development of new systems for co-management between Government authorities, local communities and the private sector. Such approaches, when coupled with other innovations being piloted in South Africa for conservation on private lands, will improve prospects for achieving conservation targets within the national protected area system, while also improving management effectiveness in PAs where public administration alone is inappropriate.

The Project seeks to develop a representative PA estate on communally owned land along the Wild Coast of the Eastern Cape Province. These protected areas will be managed under a range of co-management agreements between Provincial, Local and National authorities, local communities and the private sector, as suited to the management challenges facing different sites. There are three main intervention areas: strengthening the institutional framework for co-management; enhancing management effectiveness within a rationalised and more representative system of protected areas (IUCN management category IV)), operating under co-management agreements with local communities and the private sector; and developing a functioning network of effectivelymanaged multiple resource use protected areas (IUCN management category VI) in active collaboration with local communities. These interventions will be nested in a *land use plan* for the Wild Coast that integrates the management of PA's with the regional sustainable development framework. GEF funding will be allocated towards building capacity at the systemic, institutional and individual levels for PA co-management while significant co-financing has been leveraged for accompanying environmental management and community development activities. Collectively, these interventions are expected to provide a paradigm for progressive replication elsewhere in South Africa, with the aim of strengthening the PA system.

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ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
APR	Annual Project Report
ARC	Agriculture Research Council
AWP	Annual Work Plan
BC&CM	Biodiversity Conservation and Coastal Management
C.A.P.E.	Cape Action for People and Environment
CBD	Convention on Biological Diversity
CASU	Co-management Assistance Support Unit
CCA	Coastal Conservation Area
CCF	Country Cooperation Framework
CDEA	Chief Directorate of Environmental Affairs
CMA	Catchment Management Agency
CFR	Cape Floristic Region
CMS	Convention on the Conservation of Migratory Species of Wild Animals
CO	Country Office
CPA	Communal Property Association
CPPP	Community Public Private Partnership
DA	Department of Agriculture
DBSA	Development Bank of Southern Africa
DEAET	Eastern Cape Department of Economic Affairs, Environment and Tourism
DEAT	Department of Environmental Affairs and Tourism
DHLG&T	Department of Housing, Local Government and Traditional Affairs
D:IFM	Directorate – Indigenous Forest Management
DLA	Department of Land Affairs
DME	Department of Mineral and Energy Affairs
DoT	Department of Transport
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
ECDC	Eastern Cape Development Corporation
ECPB	Eastern Cape Parks Board
ECTB	Eastern Cape Tourism Board
EIA	Environmental Impact Assessment
EMCA	Environmental Management Co-operation Agreements
EOP	End of Project
GEF	Global Environment Facility
GSoA	Government of South Africa
HIV	Human Immunodeficiency Virus
IA	Implementing Agency
IBA	Important Bird Area for Africa
IDT	Independent Development Trust
ICC	Inter-governmental Coordination Committee
IDP	Integrated Development Plan
INR	Institute of Natural Resources
IR	Inception Report
ISRDP	Integrated Sustainable Rural Development Program
IUCN	The World Conservation Union
KMS	Knowledge Management System

KZN	KwaZulu Natal
LUMS	Land Use Management System
M&E	Monitoring and Evaluation
MCM	Marine and Coastal Management
MEC	Member of Executive Committee
METT	Management Effectiveness Tracking Tool
MPA	Marine Protected Area
MINMEC	MINisterial Environmental Committee
NBSAP	National Biodiversity Strategy and Action Plan
NEMA	National Environmental Management Act
NFA	National Forest Act
NGO	Non-governmental Organization
NSBA	National Spatial Biodiversity Assessment
PA	Protected Area
PAM	Protected Area Management Department
PC	Pondoland Center of Endemism
PCC	Provincial Coastal Committee
PFM	Participatory Forest Management
PGDP	Provincial Growth and Development Plan
PIR	Project Implementation Review
PMU	Program Management Unit
PRA	Participatory Rural Appraisal
PSC	Program Steering Committee
PSDP	Provincial Spatial Development Plan
PTO	Permission-To-Occupy
PWD	Public Works Department
RMPT	Reserve Management Planning Team
RSA	Republic of South Africa
SANBI	South African National Biodiversity Institute
SANParks	South African National Parks
SBAA	Standard Basic Agreement
SEA	Strategic Environmental Assessment
SDF	Spatial Development Framework
TBD	To be Determined
TPC	Thresholds of Potential Concern
TRALSO	Transkei Land Service Organization
UN	United Nations
UNDP	United Nations Development Program
WCSDI	Wild Coast Spatial Development Institute
WCDO	Wild Coast Development Organization
WCTC	Wild Coast Technical Committee
WCTDP	Wild Coast Tourism Development Policy
WESSA	Wildlife and Environment Society of South Africa
WMA	Water Management Area
WWF	World Wide Fund

SECTION I: Elaboration of Narrative

PART I: SITUATION ANALYSIS

Environmental context

National

1. South Africa is recognized as one of 17 megadiversity countries, mainly due to its extraordinary floristic diversity and the high level of endemism. South Africa occupies about 2% of the world's land area, but is home to nearly 10% of the world's plants (estimated at 23,420 species) and 7% of the reptiles, birds and mammals. Three of the world's 25 most threatened biodiversity hotspots are found within the country's boundaries (Cape Floristic Region, Succulent Karoo and Maputaland-Pondoland-Albany). The South African coast, straddling two oceans, is home to almost 15% of known coastal and marine species.

2. South Africa has a reasonably well-developed system of formal protected areas (see Annex 1 for detailed information on the status of protected areas). The draft South African National Spatial Biodiversity Assessment (NSBA, 2004) has classified South Africa's terrestrial PAs into 3 broad types:

(i) **Type 1** protected areas (equivalent to IUCN categories I, II and IV), including National Parks, Provincial Nature Reserves, Local Authority Nature Reserves and Forest Reserves, have strong legal protection and are primarily managed for the maintenance of biodiversity;

(ii) **Type 2** protected areas (equivalent to IUCN categories III, IV, V and VI) including Wildlife Management Areas, Private Nature Reserves, National Heritage Sites, undeveloped State land (excluding Type 1 protected areas), Bird Sanctuaries, Botanical Gardens, Mountain Catchment Areas (excluding Type 1 protected areas), Protected Natural Environments, Coastal Conservation Areas and Indigenous State Forests (excluding Type 1 protected areas) have an intermediate level of legal protection and are primarily managed for sustainable use and development without compromising their ecological, landscape and cultural integrity;

(iii) **Type 3** protected areas (equivalent to IUCN category VI), including Private Game Farms, Private Game Reserves (excluding Type 2 protected areas) and Conservancies (excluding Type 2 protected areas), are often more informal protected areas with a moderate to low legal status and are primarily managed as productive enterprises.

3. Currently 6% of the land surface of South Africa is under some form of protection. The conservation estate comprises 479 Type 1 protected areas and 471 Type 2 protected areas. Table 1 shows the number, distribution and extent of these protected areas for the nine provinces. Only a few protected areas are greater than 100,000 ha in size with the vast majority ranging between 1,000 and 10,000 ha in total area.

Table 1: Distribution, extent and type of protected area per province

Province	Type 1	Type 2	Type 3	Total Area
Eastern Cape	94	94	51	1,071,427
Free State	18	1		262,545
Gauteng	23	41	1	201,341
KwaZulu Natal	84	5		737,633
Mpumalanga	45	76	3	2,416,696
Northern Cape	14			1,433,705
Limpopo	41	43	9	2,949,273
North West	22	8	2	349,443
Western Cape	138	203		1,786,325
Total	479	471	66	11,208,491

4. In most parts of South Africa, the current terrestrial protected area estate is biased in favor of landscapes where the opportunity costs of conservation are low. The protected area network is thus not uniformly

distributed in the landscape and there are substantial gaps that need to be addressed to ensure the representativity of the protected area network. Currently, the forest, fynbos and desert are the most protected biomes in terms of percentage total area, while the Nama-karoo and grasslands are the least protected biomes. The gaps are accentuated when assessed at a finer scale. Out of a total of 441 vegetation types for South Africa, 110 are not protected at all. Furthermore, an additional 90 vegetation types have less than 5% of their target area for biodiversity conservation protected. More than 300 vegetation types have less than half their biodiversity target protected within statutory protected areas (NSBA 2004).

5. The NSBA has divided the marine protected areas (MPA) into three categories:

(i) **Category 1** areas are 'no-take' marine protected areas in which compatible recreation is permitted;

(ii) **Category 2** areas are other MPAs in which some extraction is permitted under strictly controlled conditions and compatible recreation is permitted;

(iii) **Category 3** areas are seasonal or permanently 'closed areas' for harvesting of certain marine resources

6. Table 2 provides an overview of the protection status of the South African coastline within the five coastal bioregions. Although 23% of South Africa's coastline falls within category 1-3 MPAs, only 9% of this area is no-take. This 23% is further not truly representative of the regions coastal and marine biodiversity and there are currently no offshore MPAs. The total area covered by the MPAs constitutes some 9980 km^2, currently only 0.41% of South Africa's Economic Exclusion Zone, of which only 0.16% of this is no-take. Two of the six supratidal biozones – West Coast and Transkei Coast Supratidal do not reach their targets of 20% in category 1 MPAs.

Table 2: Overview of the protection status of South African coastline

	Length of coastline (km)				
Bioregion	***Category 1MPA***	***Category 2 MPA***	***Category 3 MPA***	***Coastline not in MPAs***	***Total length***
Namaqua	0	0	0	629	684
SW Cape	51	163	0	207	420
Agulhas	197	78	52	1379	1706
Natal	43	100	0	550	693
Delagoa	43	110	0	0	153
Total	334	451	52	2764	3656

7. The South African Government has stressed its commitment to ensuring that the protected area network provides adequate protection to South Africa's nine biomes and that the network of type 1 protected areas is expanded by year 2010 to 8% of South Africa's terrestrial land surface and from 5% to 20% of the marine and coastal environments (Yawitch, Mancotywa and Naude, 2003). In expanding the protected area network, South Africa is focusing on biomes and ecosystems that are currently under-protected to bring the country closer to the ideal of a representative sample of all ecosystems in protected areas. Five inter-linked sets of actions are envisaged for the conservation of South Africa's biodiversity, namely: working with production sectors; strengthening bioregional programs; minimizing loss of habitat in threatened ecosystems; preventing and managing the spread of invasive alien species and expanding protected areas to achieve representation targets.

8. Historically, the South African Government has sought to expand the terrestrial protected area estate through the reservation of public land, and more recently, the purchase of lands from private landholders. A number of new approaches are currently being trialed to formalize protected areas on private lands under various management systems[1]. South Africa has been a world leader in developing and experimenting with new models for PA management, including partnerships with private land owners, private utilities and the

[1] These arrangements are being supported under several other GEF projects, including in Addo National Park, Agulhas Biodiversity Initiative, and reserves in the CAPE Floral Kingdom and Succulent Karoo biomes.

business sector. The NSBA (2004) however estimated that 30-50% of the total communal lands in South Africa occur in priority areas for conservation and the government has underscored the urgent need to expand and adapt the current mechanisms and models to facilitate conservation in communal lands. The mechanisms and models must be founded on the principle that PAs are jointly managed by the communities and protected area authorities with the objective of expanding opportunities for conserving biodiversity in these communal areas whilst providing tangible benefits to local people and especially, alleviating poverty. Given the high social and cultural heterogeneity evident in the country, a number of different approaches to the incorporation of communal land into a conservation estate are needed to accommodate different historical circumstances and social and economic landscapes. There is a particular need to nest PA management in regional development strategies and into local economies, and to establish effective collaborative management systems involving PA authorities, local government and local communities

9. South Africa's high biodiversity and heterogeneity of ecosystems amplifies the challenge of establishing a representative protected areas system, as numerous protected areas need to be established to achieve the established conservation targets and the management models have to be adapted to suit socio-economic and institutional specificity. The challenge is particularly high in the Eastern Cape, as both beta and gamma diversity is high (seven of South Africa's nine biomes are represented in the Province).

Eastern Cape Province and the Wild Coast

10. The Wild Coast forms the Eastern part of the Eastern Cape Province, and stretches along the 245 km coastal strip from the Kei River in the south, to the Umtamvuna River in the north (see Annex 2: Map of the project site)[2]. The Wild Coast includes portions of five of South Africa's nine biomes. The major biomes of the Wild Coast, encompassing the largest areas, are the forest, grassland and savanna. The Wild Coast is located within the Maputaland-Pondoland-Albany 'hotspot' (Myers, 2003) and is listed along with Upper Guinea, Cameroon Highlands, Albertine Rift, Ethiopian Highlands, Eastern Arc and coastal forests, Madagascar and the Cape Fynbos - as having a deficient protected area system, which needs to be urgently expanded and strengthened to improve the bio-geographic coverage of protected areas in Africa. The Wild Coast falls within a marine (Agulhas Current) and terrestrial (Drakensberg Montane Shrublands and Woodlands) 'Priority Ecoregion for Global Conservation' (Olson and Dinerstein, 2002). Finally, the Maputaland-Pondoland region has been identified in the National Spatial Biodiversity Assessment (NSBA) as one of nine national priority areas for conservation action.

11. The Pondoland Center of plant endemism is located within the Wild Coast, along the Msikaba Formation sandstone belt north of Port St Johns and represents one of seven centres of endemism in South Africa, and one of only 235 sites on Earth recognised for their global importance as repositories of floral biodiversity (WWF and IUCN, 1994). Although limited surveys have been carried out, Davis et al. (1974) recorded more than 130 endemic vascular plants in the Pondoland Center - many of which are thought to be paleoendemic relictual species - including one monotypic family and six monotypic genera. The best known of these is probably the highly localized and rare Pondoland Coconut Palm which grows only on the northern banks of the lower Msikaba and Mtentu rivers.

12. The terrestrial ecosystems of the Wild Coast comprise the primary coastal vegetation types of the region - the grasslands of the Transkei Coastal Belt, the Pondoland-Natal Sandstone Coastal Sourveld and the Scarp Forests. Within this band of vegetation types, patches of Mangrove Forest, Subtropical Coastal Lagoons, Subtropical Estuarine Salt Marshes, Subtropical Seashore Vegetation and Subtropical Dune Thicket are also found. The Transkei Coastal Belt, Subtropical Estuarine Salt Marshes and Pondoland-Natal Sandstone Coastal Sourveld are unique to the region and are mostly limited in distribution to the Wild Coast area. A remarkable 34 endemic tree species and 16 endemic shrub species have been recorded in the 50,000

[2] The terrestrial component of the project site comprises an area of just under 5000 km^2. It is 30 km wide at its widest point and 10 km wide at its narrowest point. The marine boundary of the project site extends to the end of the deep photic zone which is at the 30 m depth and about 1-3 km off shore and comprises an area of just under 445 km^2.

ha of indigenous forests of the Wild Coast. The forests are also home to a number of rare species such as the Cape Parrot, Mangrove Kingfisher, Giant Golden Mole, Samango Monkey and Tree Dassie. The Wild Coast also has the most southerly distribution of mangrove forests, linked to the warm sub-tropical marine currents. There are 16 mangrove forest parcels, covering nearly 300 ha (Ward & Steinke 1982), with the most southerly forest in the Nxaxo River area. In addition to the diverse coastal forests, at least 80 grassland-associated endemics have been recorded.

13. The Wild Coast is fed by three major catchments (Umzimvubu, Mbashe and Kei Rivers), two medium-sized catchments (Mtata and Mtamvuna Rivers) and nearly 100 minor catchments that stretch no more than 60 km inland. There has been little research on the freshwater aquatic ecosystems of the Wild Coast, but they are also likely to show important endemism and biodiversity. For example, two new *Barbus* fish species have recently been discovered. The Eastern Cape Province contains more than half (57%) of the country's estuaries with the Wild Coast containing nearly 60% (122) of these estuaries. Moreover, this section of coast contains the highest proportion of estuaries in a good to excellent condition. The frequency of occurrence of South African endemics is particularly high along the Wild Coast, partly due to its central geographic location in the country, and partly because the coast contains the transition zone between two of the country's three marine biogeographical zones.

14. The Wild Coast area forms part of an important transition zone between the warmer, sub-tropical waters off KwaZulu Natal Province and the cooler warm-temperate waters of the Eastern Cape Province. A number of Indo-Pacific species are found at their southernmost limit of distribution (e.g. *Stylophora*), while some warm-temperate species occur at the northernmost limit of their distribution range (e.g. *Chrysoblephus laticeps*). Southern Africa has a total of 227 endemic coastal fish species, with the number of endemics reaching a peak in the Eastern Cape Province generally and the Wild Coast specifically. In a recent visual survey of shallow reefs between Port Edward and Port St Johns, 137 species fish species from 49 different families were identified, with a high proportion of endemic species (26%) (Mann and Celliers, 2004). Importantly the Wild Coast represents the center of distribution for a number of over-exploited endemic line fish. The most important endemic fish species are in the three families the Clinidae (klipfishes), the Gobidae (gobies) and the Sparidae (sea breams). Nearly 80% of the world's sea bream species occur in South African waters, half of them endemics. The Wild Coast is central to their distribution, but recent findings place most of them in the critically overexploited category. Among marine invertebrates and algae there is also a unique transition zone along the Wild Coast. In a recent survey of a 150 km length of the Wild Coast, 10 species of seaweeds (representing 35% of SA "restricted endemics" and including two undescribed genera) were described as appearing to be locally endemic.

15. Only 4.7% of the Eastern Cape Province is formally protected. Nearly 23% of the coastal zone (5 km inland and seaward of the shoreline) of the province is under some form of protection. The distribution of these formal protected areas is however highly variable, with, for example, only 2.2 % of the grassland biome under formal protection but 38% of the forest biome under protection.

16. The Wild Coast has several types of protected areas which vary in terms of their management, as well as the constraints and opportunities they offer to conservation.

(i) Provincial Nature Reserves are managed as Type 1 protected areas (IUCN management category IV). The Eastern Cape Parks Board (ECPB) is the delegated management authority and the areas are administered in terms of the Protected Areas Act (2003). The Eastern Cape Provincial Environmental Conservation Bill, currently in draft format, will further reinforce the protected area status of the reserves. There are currently five provincial nature reserves in the Wild Coast (Mkambati, Dwesa, Cwebe, Hluleka and Silaka)[3];

[3] Mkambati Provincial NR (7,720 ha), on the coast of north-eastern Pondoland is bordered by the Mtentu River to the north and the Msikaba River in the south, with approximately 12 km of coastline forming the eastern limit. The Dwesa (3,500 ha) and Cwebe (2,200 ha) Provincial NR are located on either side of the estuary of the Mbashe River, and approximately 250 km north-east of East

(ii) Marine Protected Areas are managed as Category 1 ('no take areas) and Category 2 (controlled extraction) protected areas. The MPAs are currently managed by the Marine Coastal Management (MCM) branch of the National Department of Environmental Affairs and Tourism (DEAT) and administered in terms of the Marine Living Resources Act (1998). There are three Marine Protected Areas[4] (Dwesa-Cwebe, Hluleka and Pondoland) in the Wild Coast.

(iii) Trust Forests are indigenous State Forests managed as Type 2 protected areas with a variety of biodiversity and livelihood management arrangements applying. These indigenous forests were either reserved for forestry under the Native Trust and Land Act or demarcated as State Forests under the National Forests Act. Within the Wild Coast there are approximately 50,000 ha of indigenous forest, comprising 687 discrete patches, of which 46,245 ha are DWAF managed State Forests. These State Forests are currently managed by the national Department of Water Affairs and Forestry (DWAF) and administered in terms of the National Forests Act (1998). The remaining smaller patches of indigenous forest are under the control of local tribal authorities and referred to as Headman's Forests. The underlying land tenure of most of these State Forests is communal. Although consumptive use of the forests for commercial purposes requires authorization from DWAF, local people are able to enter forests to gather produce for domestic, cultural, health or spiritual reasons without a permit or license;

(iv) Coastal Conservation Area (CCA) is a 1-km strip of limited development along the coast managed as a Type 2 protected area. The CCA is established in terms of the Transkei Environmental Decree (1992) with the aim of protecting the environmentally sensitive coastal zone from uncontrolled development activities. Any proposed development within 1000 m of the high water mark or within 1,000 m of a river is subject to the permission of the Provincial Department of Economic Affairs, Environment and Tourism (DEAET). The CCA is not surveyed or demarcated and extends over all the different types of State land found in the coastal zone which in most cases comprise communal land, State Forest and resort nodes. The CCA is administered through co-operative governance arrangements between DEAET, Department of Land Affairs, Department of Local Government, Housing and Traditional Affairs (DLG&H) and the local authorities in terms of the Transkei Environmental Decree and the Wild Coast Tourism Development Policy (2001).

17. The management effectiveness of the current protected area network across the Wild Coast is generally moderate to very low. Table 3 provides a an overview of the PAs targeted by the current project, their type, size, main threats and METT (Management Effectiveness Tracking Tool) baseline score.

Table 3: Protected Areas in the Wild Coast

PA name	Type	Size	Main ecosystems	Date of proclamation	Legislation	Main threats	METT
Dwesa	Prov. NR (Type 1)	3,500 ha	Coastal forest; Coastal grasslands	1891 – Demarcated State forest 1975 – Nature Reserve	Transkei Nature Conservation Act, 1971	Illegal harvesting of forest products, poaching, illegal grazing, invasive alien plants	50
Cwebe	Prov. NR (Type 1)	2,200 ha	Coastal forest; Coastal Grasslands	1893 – Demarcated State forest 1975 – Nature Reserve	Transkei Nature Conservation Act, 1971	Illegal subsistence use, poaching, illegal grazing, invasive alien plants	50
Hluleka	Prov. NR	450 ha	Coastal forest	1906 – Demarcated	Transkei Nature	Invasive alien	

London. Hluleka Provincial NR (400 ha) is located approximately 45 km south of Port St. Johns. Silaka Provincial Nature Reserve (336 ha) is located approximately 4km south of Port St. Johns.

[4] Dwesa-Cwebe MPA area directly abuts the Dwesa-Cwebe Provincial Nature Reserves and is 18,150 ha in extent, traverses 16 km of coastline and stretches 11 km out to sea. Hluleka MPA directly abuts the Hluleka Provincial NR and is 4,125 ha in extent, covers 1.3 km of coastline and stretches 11km out to sea. The newly proclaimed Pondoland MPA is located between the Mzamba river and Mzimvubu river, extends 17 km out to sea and covers over 90 km of coastline.

	(Type 1)		Thicket; Coastal Grassland	State Forest 1975 – Nature Reserve	Conservation Act, 1971	plants, poaching, illegal grazing, illegal harvesting of forest products	38
Mkambati	Prov. NR (Type 1)	7,720 ha	Coastal grassland; Coastal Forest and Swamp forest	1977 – Nature Reserve	Transkei Nature Conservation Act,1971	Invasive alien plants, illegal collection of fuel wood and construction material	44
Silaka	Prov. NR (pending) (Type 1)	340 ha	Coastal Grassland; Thicket; Coastal Forest	Final proclamation outstanding	n/a (Protected Areas Act, 2003)	Invasive alien plants, poaching and upstream afforestation and cultivation	47
Dwesa-Cwebe	MPA (Category 1)	18,150ha	Marine	1991	Transkei Nature Conservation Act,1971; Transkei Environmental decree, 1992 and 1994; Marine Living Resource Act, 1998;	Excessive harvesting of inter-tidal marine resources and illegal fishing	50
Hluleka	MPA (Category 1)	4,125ha	Marine	1991	Transkei Nature Conservation Act,1971; Transkei Environmental decree, 1992 and 1994; Marine Living Resource Act, 1998	Illegal harvesting and fishing of inter-tidal and inshore inshore marine resources	38
Pondoland	MPA (Category 1 and 2)	153,000ha	Marine	2004	Marine Living Resource Act, 1998	Illegal fishing and harvesting of inter-tidal and inshore marine resources	25
(Transkei) Trust Forests	State Forests (Type 2)	46,245 ha	Indigenous forests	1998	National Forest Act, 1998	Unsustainable harvesting of construction materials and fuel wood, illegal clearing for crop production, illegal road development and fire damage from rotational burning of adjacent grasslands	25
Coastal Conservation Area	CCA (Type 2)	25,000 ha	Coastal forests, coastal Grasslands, Thicket, Swamp forest, Estuaries	1992	Transkei Environmental Decree, 1992	Unsustainable coastal resort and urban development, off-road driving, sand mining, heavy mineral mining, illegal cottage development	27

Policy and institutional context

Policy context

National

18. The policy provisions of the Green Paper on Development and Planning (1999), the White Paper on Spatial Planning and Land Use Management and the National Spatial Development Plan (2003) are the key policy instruments framing and shaping current spatial planning and development in South Africa. Also key

will be the proposed Land Use Management Act, yet to be enacted. These mechanisms intend to introduce a new unitary planning system, repeal the Development Facilitation Act (1995) and define the contents of spatial planning and land use management for the purposes of the Municipal Systems Act. Integrated development planning at the Municipal level arises from the principle of 'developmental local government' reflected in the White Paper on Local Government (1997) and this principle is enabled by the Municipal Demarcation Act (1998), the Municipal Structures Act (1998) and the Municipal Systems Act (2000). Municipal Integrated Development Plans are the principal strategic instrument that informs all decisions regarding the planning, management and implementation of development in the municipalities' jurisdiction.

19. A wide and diverse set of legislation and policies govern the management of natural resources generally, and the management of protected areas specifically. These include:

- **National Environmental Management Act (NEMA), 1998**, provides for co-operative environmental governance by establishing principles for decision-making on matters affecting the environment, for securing ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.
- **NEMA: Biodiversity Act, 2004** provides for the co-ordination and alignment of biodiversity planning with other environmental and sectoral planning, allows for the setting of norms and standards for the management of biodiversity, establishes an integrative regulatory framework for biological resource management and use, and provides for the protection of special species.
- **NEMA: Protected Area Act, 2004** has as its main objectives: (i) the establishment of a national system of PAs to manage and conserve biodiversity; (ii) the promotion of sustainable use of PAs for the benefit of people in a manner that would preserve the ecological character of such areas; and (iii) the promotion of local communities participation in the management of protected areas. The Act provides for the consolidation of protected area classifications to align the country with the IUCN classification system, clarifies conservation objectives for each protected area category, setting of norms and standards for PA management, and the development of PA management plans.
- **The Marine Living Resources, 1998** provides for the conservation of the marine ecosystem, the long-term sustainable utilization of marine living resources and the orderly access to exploitation, utilization and protection of certain marine living resources.
- **The White Paper for Sustainable Coastal Development in South Africa, 2000** aims to achieve sustainable coastal development through an integrated coastal management approach. It serves as a directive and guideline for the development and management of the South African Coast.
- **The Sea Shore Act (1935)** makes provision for various uses of the area between the high water mark and low water mark, and the conditions under which these uses may apply.
- **The National Water Act, 1998** provides a framework for the protection, use, development conservation, management and control of water resources. The Act requires the development of strategies to facilitate the proper management of water resources and prescribes a series of measures to ensure the comprehensive protection of those water resources.
- **The National Forest Act, 1998** establishes a regulatory framework for the sustainable management and use of forests and forest products, identifies measures for the protection of forests and forest species and provides for the involvement of local communities in forest management. The Act is accompanied by a draft **Policy for Participatory Forest Management (2004)** which promotes community forestry and encourages greater participation in all aspects of forestry and the forest products industry by persons previously disadvantaged by unfair discrimination.
- **The National Veld and Forest Fire Act, 1998** provides for the prevention and preparedness for veld and forest fires. The Act regulates for the establishment, registration, duties and functioning of fire protection associations.
- **The National Heritage Resources Act, 1999** provides for the administration, management, protection and governance of natural and cultural heritage resources.

20. Many of these legal and policy instruments favor collaboration in natural resources management. Implicit in the policy and legislation is the notion that local communities should increasingly assume a role

for custodianship of natural resources. NEMA makes provision for public institutions to enter into environmental management co-operation agreements (EMCA) with any person or community for the purpose of promoting compliance with the principles laid down in section 2 of the Act; the National Forest Management Act makes provision for community participation in forest management (PFM); the Coastal Management Bill proposes the establishment of Coastal Community Associations (CCAs) to facilitate participation by or co-management with civil society, with respect to coastal resource use; the National Water Act promotes community participation in the protection, use, development, conservation, management and control of the water resource in its management area through the establishment of Catchment Management Agencies (CMA); the Marine Living Resources Act implies the need for civil society to be sufficiently organized to be able to play a meaningful role as co-managers or decision makers on issues pertaining to the management of marine and estuary living resources; and the White Paper for Sustainable Coastal Development policy states that partnerships between government, the private sector and civil society must be built in order to ensure co-responsibility for coastal management and to empower stakeholders to participate effectively.

21. The National Environmental Education Program (NEEP-GET), located in the National Department of Education, has established professional development programs for learning facilitators. These programs have concentrated on environmental learning as a key element of curriculum change. The NEEP-GET has been instrumental in institutionalizing environmental education in the schools curriculum and in departmental structures. This has been achieved through professional development, resource development and cooperation with partners. Some of the resources developed include guideline booklets and learning area booklets that are distributed to all primary schools in the country.

22. Since 1994, South Africa has also embarked on an ambitious programme of land reform, designed to redress the grave racial imbalance in land holding and secure the land rights of historically disadvantaged people. This land reform has been pursued under three broad policy headings: restitution which provides relief for certain categories of victims of forced dispossession in terms of the Restitution of Land Rights Act (1994); redistribution, a system of discretionary grants that assists certain categories of people to purchase land from private owners or the state; and tenure reform, intended to secure and extend the tenure rights of the victims of past discriminatory practices. The recently promulgated Communal Land Rights Act, 2004 specifically deals with issues relating to traditional land rights. The Act seeks to secure land rights for traditional communities and in certain circumstances facilitates the formal transfer of land presently owned by the government, to these communities. It grants land allocation, land administration and ownership powers and functions to "traditional councils" created by the Traditional Leadership and Governance Framework Act. The Act also provides for the development of a set of community rules, by the community who gains tenure, which determines the eventual application and use of communal land.

Wild Coast

23. National policies and programs in the Wild Coast areas generally focus upon rural development and poverty alleviation, mainly through the vehicle of Integrated and Sustainable Rural Development Program (ISRDP), launched by the national government in 2001 as a strategy to guide national rural development efforts. The ISRDP aims to improve living conditions for rural people through economic growth and development, infrastructure, social and institutional development and the enhancement to delivery capacity. The OR Tambo District municipality is identified as one of 12 national anchor project areas for the implementation of the ISRDP.

24. The Eastern Cape Provincial Spatial Development Plan (PSDP) has been developed to rank areas of development potential within the province, and serve as a tool for spatial prioritization for government and its development agencies. The Government of the Eastern Cape has formulated a Provincial Growth and Development Plan (PGDP) to align the province with the national policy framework for socio-economic planning and with the PSDP priorities. The PGDP provides the strategic framework, sectoral strategies and programs targeting economic growth, employment creation, poverty eradication, food security and income redistribution for the period 2004-2014. The PGDP provides for the decentralization of service delivery to

the local sphere of government.

25. The Wild Coast Spatial Development Initiative (WCSDI) was launched in 1997 by the Department of Trade and Industry as a short-term investment strategy, using public resources to encourage private sector investment. It has as its major objectives the promotion of new businesses in agriculture and tourism and the creation of employment opportunities, particularly for women. Under the auspices of the SDI, the Wild Coast Tourism Development Policy (WCTDP) promotes, facilitates and regulates tourism development along the Wild Coast during the conceptualization, planning, construction and operational stages. The WCTDP makes provision for nodal development and inter-nodal zonation, and the associated operational guidelines, to ensure that environmental considerations are effectively integrated into all tourism-related developments and activities.

26. The Eastern Cape Environmental Conservation Bill (2004) provides for the consolidation of the laws relating to all environmental management functions in the province including waste management, pollution control, species protection, permitting and enforcement. The Bill also provides for the proclamation of protected areas, their management, planning and mechanisms for involvement of stakeholders and local communities.The Transkei Environmental Decree (1992) provides for the conservation, management, protection and commercial utilization of natural resources in the area of the former Transkei 'homeland'. It is envisaged that the provisions in the Decree will be included in the Eastern Cape Environmental Conservation Bill but, in the interim, remains a key piece of legislation governing a wide range of conservation issues across the Wild Coast.

Institutional context

27. With the exception of most of the National Parks and National Botanic Gardens, managed by the South African National Parks (SANParks) and South African National Biodiversity Institute (SANBI) respectively, protected area management is classified as the concurrent competency of national and provincial government. The new Protected Area Act however allows for other competent conservation agencies to manage national parks. The National Department of Water Affairs and Forestry are responsible for the management of Indigenous State Forests but are currently in the process of delegating the management authority of the indigenous forest protected areas to the relevant national or provincial protected area agencies. The Marine Coastal Management branch of the National Department of Environmental Affairs and Tourism are responsible for the management of Marine Protected Areas but may use provincial or national organs of state as service providers for the management of these MPAs.

28. Each of South Africa's nine provinces have established a body responsible for protected area management, either located within the provincial department responsible for nature conservation or in the form of parastatal boards. At a local level, a number of local municipalities have established a nature conservation function to manage protected areas within the municipal jurisdiction. This situation means that there is substantial institutional diversity in the way South Africa's protected areas are managed. Institutional co-operation and policy and strategy coherence is enabled through the Committee for Environmental Cooperation, established in terms of the National Environmental Management Act, and MINMEC, a regular meeting between the national ministers and the provincial ministers of environment. A Protected Areas Forum that brings together the heads of all the country's protected area agencies enhances the consultation between, and cohesion of, protected area agencies and their activities.

29. The key governmental institutions involved in the conservation management and land use planning in the Wild Coast, are:

(i) *National level*: The Marine & Coastal Management (MCM) branch of DEAT is responsible for policy, functions and regulatory oversight of coastal marine resources, including the management of MPAs. MCM has satellite offices at Centane, Port St Johns and Mzamba in the Wild Coast. The key functions of these satellite offices are commercial quota inspections, sustainable marine livelihoods

and the management of marine resource harvesting. The sub-directorate: Indigenous Forest Management of the Department of Water Affairs and Forestry (DWAF), the provincial office located in King Williams Town, is responsible for implementing provisions of the National Forest Act and the National Veld and Forest Fire Act. A number of foresters and forest guards are deployed across the Wild Coast.

(ii) *Provincial level*: The Eastern Cape Department of Economic Affairs, Environment and Tourism is the delegated provincial authority for the administration and implementation of national and provincial environmental policy and legislation. DEAET has two regional offices within the Wild Coast - the OR Tambo and Amatole regions. The key functions of these regional offices include implementation and enforcement of coastal and environmental management legislation and policy, promotion of integrated environmental management and the review of environmental impact assessments. A number of public entities have also been established by DEAET to implement some of the department's operational functions.

- The key public entity on the Wild Coast is the Eastern Cape Parks Board (ECPB) that has been established as a parastatal agency in 2004 under the Provincial Parks Board Act 12 of 2003 to assume responsibility for protected areas and a number of other off-reserve conservation management functions.
- Other public entities that play lesser roles include the Eastern Cape Development Corporation (ECDC) and the Eastern Cape Tourism Board (ECTB).

(iii) *District and local level*: The two District (OR Tambo) and seven local ((Mnquma, Port St Johns, Nyandeni, King Sabata Dalindyebo, Mbizana, Qaukeni and Mbashe) Municipalities are playing an increasingly important role in development. This includes waste management, integrated water management, estuary management, provision of support to sustainable resource use projects, clearing of invasive alien plants, rehabilitation and restoration, pollution control, ISO-compliant Environmental Management Systems and State of Environment Reporting. The local municipalities are structured into wards with each ward represented by a Ward Committee that is elected by the communities. Beyond the delivery of basic services and infrastructure to local communities, the municipalities are also responsible for spatial planning and land use decision-making. A number of municipalities have established Development Agencies (e.g. Ntinga Development Agency in the OR Tambo District) to coordinate development programs and facilitate private sector investments and developments.

30. The traditional authorities of the Wild Coast are recognized as a critically important institution, as much of the land on the Wild Coast is currently occupied by local communities as communal land. The Provincial House of Traditional Leaders represents all regional authorities in the Province. There are four regional authorities in the Wild Coast – Qaukeni, Nyandeni, Dalinyebo and Gcaleka – each led by a 'King'. Within each regional authority there are a number of traditional authorities, each headed by a Chief. Within each regional authority the Chiefs constitute the Council of the King. Traditional authorities are broken up into a number of smaller territories called administrative areas. The administrative areas are presided over by a Headman.

31. Other important public institutions on the Wild Coast include: (i) the national Department of Water Affairs and Forestry (DWAF) which has statutory responsibilities for administration of the National Water Act and the National Forests Act as it applies in the Wild Coast; (ii) the national Department of Land Affairs (DLA) which is responsible for providing the legislative and policy framework for land-use planning and land tenure reform; (iii) the national Department of Agriculture (DA) which locally provides extension services to promote agricultural development and the administration of communal land; (iv) the national Department of Mineral and Energy Affairs (DME) responsible for the development and administration of mining policy and legislation; and (v) the provincial Department of Housing, Local Government and Traditional Affairs (DHLG&T) which co-ordinates and provides guidance in provincial

and municipal planning, administers traditional affairs and oversees the administration of land development applications in the province.

32. There are only a small number of NGOs currently active in the area. These include the Pondoland Community Resource Optimisation Programme (PondoCrop) which is administering Coastcare projects across the Wild Coast, the Transkei Land Service Organization (TRALSO) which provides facilitation services for land redistribution, WWF-SA who support a master farmer program in Port St Johns and the Wildlife and Environment Society of South Africa (WESSA) which provide environmental education support services.

33. A number of university institutions (and allied research programs), including University of Transkei, University of Fort Hare, Rhodes University, University of Natal (Durban and Pietermaritzburg), Oceanographic Research Institute, University of Fort Hare and University of Port Elizabeth, have a number of research projects and programs active in the region.

Socio-economic Context

34. The Province of the Eastern Cape has a population of approximately 6.4 million people, occupying an area of 169,875 km^2. The Eastern Cape has the highest incidence of poverty in South Africa: it has the lowest mean monthly household expenditure, and 48% of the population are classified as living in poverty. The majority of the population are IsiXhosa speakers, with minorities speaking Afrikaans, English and SeSotho. Sixty five percent of the population is classified as rural.

35. Under the previous Government's apartheid (segregation) policies prior to 1994, the Eastern Cape was divided territorially into areas zoned for 'white' occupation, which formed part of the Republic of South Africa, and the native reserves (later 'African homelands', or Bantustans) of Transkei and Ciskei, which for a time achieved the dubious status of 'independent republics'. The Wild Coast forms part of the former Transkei 'homeland'. The forced movement of people into the homelands with the concomitant overcrowding, and paucity of investment caused chronic poverty in these areas. This resulted in enormous pressure on the natural resource base, as communities mined wild resources in order to eke out subsistence.

36. The transition to democracy in 1994 has begun to reverse this legacy. While considerable progress has been made in many areas of social policy - such as provision of water, electricity and housing - especially in urban areas, the 'deep rural' areas of the former Transkei, have presented enormous challenges to the reform policies introduced by the state since 1994. Of the total estimated population of 440,000, approximately 71% of residents of the Wild Coast live below the poverty line[5] while the unemployment rate is estimated at 67%. The average income level in the area is US$ 160 per household per month. Incomes are predominantly derived from social grants such as pensions and child support grants, remittances from migrant labor and natural resource use. In a recent survey, 33% of all households sampled indicated that the household head was a woman while 43% of the sample households had no resident male members over the age of 18.

37. The endemic poverty and related unemployment in the Wild Coast is linked with lack of access to clean water, sanitation, health care and schools. Levels of infrastructure development are well behind national averages[6]. Ten percent or less of households have piped water with some 64% of the population relying on natural sources of water, such as untreated springs, streams, rivers and dams. Sanitation service levels are extremely low with more than 51% of households having no sanitation. School attendance in the area is good, but education levels remain low. There is a shortage of health services which is exacerbated by a high incidence of HIV (Human Immunodeficiency Virus) and AIDS (Acquired Immune Deficiency Syndrome). Access to the area is limited to mostly gravel roads, leading from the N2 towards the coast and this seriously

[5] The poverty line is set at ZAR 800 per month or US$ 130 at 2004 prices. Poverty is defined here in the narrowest sense and relates to the average household income. Many households in the Wild Coast are arguably relatively self-sufficient in food supply and accommodation but have very low average incomes.

[6] Eastern Cape Provincial Growth and Development Plan 2004.

hampers development opportunities and provision of services.

38. The economy of the Eastern Cape is characterized by uneven development. This is evident in a number of dualisms: between the two urban industrial manufacturing centers and the rural areas of the former homelands of Ciskei and Transkei; between a developed commercial farming sector and a subsistence agricultural sector; and between concentrations of fairly well developed and efficient social and economic infrastructure in the western parts of the province and its virtual absence in the East. While the Wild Coast has a significant subsistence and informal economy, the formal economy is extremely small when compared to the rest of the Province. Government services and public works programs generate more than 50% of jobs in the formal sector.

39. Fishing: Fishing along the Wild Coast is mostly for subsistence and there is extremely limited commercial fishing. Commercial offshore fishing is limited by the lack of ports for commercial vessels and the unpredictable seas. Some 5500 recreational and subsistence fishers are known to operate in the Wild Coast region. Robertson and Fielding (1997) calculated a value of US$ 225,000 (US$ 413,000 at current prices) for fish utilized by visitors to the Wild Coast. One study estimated that holiday and cottage residents utilized at least six tons of rock lobster per annum. As a further example of the high levels of localized use, a local survey found that just three coastal hotels were estimated to take 45,000 oysters/ annum, while cottage owners were estimated to take 70,000 oysters/annum. Subsistence use intensity in the Wild Coast was estimated in 1988 at 5.6-14 tons of shellfish/km of rocky shore/annum, but there has been little ongoing monitoring of the levels of use in the area. The total annual value of inshore marine fishing, consisting almost entirely of recreational fishing is estimated at US$ 155,000 (210,459 kg annually). The most commonly exploited intertidal shellfish species in the Wild Coast region is the brown mussel; whilst others include abalone, oysters, red-bait, rock lobsters, octopus, and crayfish (Schoultz, 2001; Robertson and Fielding, 1997). About 18 fish species and 12 invertebrate species are caught by subsistence and recreational fishers in Eastern Cape estuaries. The estuaries are estimated to yield catches of over 70 kg per ha per year in the region, with catches being dominated by dusky cob and spotted grunter, both estuarine dependent species. For estuarine shellfish (crabs, sand prawns, and mud prawns), the annual value utilized by visitors along the former Transkei Coast amounts to US$12,000 (Robertson and Fielding, 1997; US$ 20,000 at current prices).

40. Agriculture: A number of small state-sponsored irrigation schemes exist across the Wild Coast but these are operating well below their potential, with production reduced by lack of supporting infrastructure and services, poor maintenance of equipment, lack of management and marketing skills, and political conflicts. The area has a high density of semi-subsistence farmers. Between 50 – 60% of households enjoy some access to arable land. Somewhere between a quarter and a half of households own cattle, although the great majority of herds are less than ten head. Small stock - sheep and goats - are owned by slightly more households than cattle, but average herd sizes are not substantially greater. Many rural households are effectively self-sufficient in their staple foods. Small scale livestock farmers sell limited numbers of livestock through private livestock traders for cash needs. Estimates of agricultural income, in terms of cash sales and produce consumed within the producing household, show great variability, but most studies put it at between 10% and 25% of average household income, of which the greater part is accounted for by direct consumption. Access to land, even relatively small plots, forests or communal grazing, thus allows households to maintain a diversified livelihood strategy that may include wage employment, pensions, agricultural production (for consumption or sale), and livestock husbandry, which together enhances their ability to obtain a livelihood under difficult conditions. Overall, the available evidence suggests however that, while agriculture may not be the principal source of livelihood for the great majority of households in the Wild Coast, it does provide an important supplementary income for a substantial proportion, albeit with a high degree of differentiation between households.

41. Natural resource harvesting: Livelihood strategies in the region are diverse and, in addition to subsistence agriculture, there is extensive use of other natural goods and services both for subsistence and for sale. The indigenous forests of the Wild Coast provide local communities with medicinal plants, fruits,

fuel wood, kraal poles/posts and carving wood, among other materials. Fuel wood is the most important use with over 95% of the households reportedly depending on indigenous trees for cooking. Animals are hunted extensively across the Wild Coast by men from local communities for sport, consumption of meat, traditional medicine or to control 'pests'. The most commonly hunted species include bushpig, duiker, bushbuck, porcupine, caracal, vervet monkey, dassie, genet and mongoose.

42. Tourism: Tourism is a key economic sector in the region with tourism enterprises primarily centered on the coastal region of the Wild Coast. Market research revealed that the coastal tourism facilities between Port Edward and Kei Mouth offer in the region of 70 accommodation establishments representing around 3250 beds. An estimated 75% of the bed supply on the Wild Coast is located between Port St Johns and Coffee Bay. Catered accommodation (hotels, lodges and guesthouses) contribute 75% of the bed capacity clearly reflecting the lack of tourism support infrastructure in the region. According to the research the region achieved average bed occupancy of 40% during 2003, representing an estimated 474 000 bed nights sold. Considering that the double occupancy in the region is around 60%, the average room occupancy of establishments surveyed calculates to 50%. At an average length of stay of 2.8 nights, a total of 170,000 overnight visitors visit the area each year. There is considerable scope for the growth of tourism.

43. Key underdeveloped economic opportunities in the Wild Coast include small-scale irrigation, dairy production, afforestation, fisheries, food processing, wool production, small-scale leather goods, and nature based tourism. It is the intention of the Eastern Cape Government to realize these opportunities through the vehicle of Community Public Private Partnerships (CPPP).

44. The matrix below presents the extent of terrestrial land use types in the Wild Coast:

Land Use in the Wild Coast	**Area (Ha) and Proportion of planning domain (%)**
Total area	512,645 ha
Natural habitat (including Type 2 protected areas)	57.51%
Type 1 Protected Areas	3.26%
Cultivated land	17.86%
Hard surfaces (e.g. roads)	13.48%
Mines and quarries	0.05%
Urban and industrial areas	2.55%
Degraded areas (e.g. erosion)	5.29%

45. Land ownership: The Wild Coast falls within the boundary of the former Transkei and land ownership as such shares many features of the former South African homelands. Most of the land on the Wild Coast is owned by the State and held in Trust for the local people. Much of this land currently occupied by local communities as communal land, managed by both tribal authority and local government. The remaining State land is managed by the State for demarcated forests, plantations, agriculture or military purposes. There are a number of freehold plots along the coastal area, primarily those used for large tourism developments. A number of legal cottages, tourism businesses and hotels are scattered along the extent of the coastline of the Wild Coast in which cottage owners lease their sites from the State through short-term or long-term renewable PTO certificates or leases.

46. The communal land is either residential, crop fields or grazing lands plus areas that the community uses for other natural resource use or spiritual purposes. Within a community, the boundaries of these different land use areas are often well defined and the usage of a homestead is governed by complex traditional regulations. Due to previous discriminatory laws, black people were never allowed to own the land they occupied, and were only granted weak and legally insecure forms of tenure in the form of quitrent titles or permission-to-occupy (PTO) certificates. The State has currently assumed nominal jurisdiction over these tribal lands until the Communal Land Rights Act is enacted. The intent of the recently promulgated Communal Land Rights Act is to facilitate mechanisms for the transfer of title of state-owned communal land to its rightful owners.

47. A number of restitution claims in the Wild Coast have been on provincial nature reserves. The settlement agreement for Dwesa-Cwebe Nature Reserve, and later the Mkambati Nature Reserve, has set the standard for similar settlement agreements for protected areas throughout the Eastern Cape and South Africa. Broadly, in terms of the agreement, the state hands over the ownership of the nature reserve to a trust representing the claimants; the land currently used as a nature reserve continues to be used as such in perpetuity; and the nature reserve is managed jointly by the claimants and nature conservation authorities for mutual benefit.

Stakeholders

48. The main stakeholders involved in the Wild Coast are identified in the matrix below. During the project preparation stage, a stakeholder analysis was undertaken in order to: (i) identify key stakeholders in the Wild Coast; (ii) review stakeholder interests and associated impacts on resource use, land tenure and the project; (iii) identify and mitigate possible negative socio-economic impacts on local stakeholders resulting from the project; and (iv) identify and develop opportunities for the project to benefit stakeholders. A detailed stakeholder analysis and participation plan is provided in Annex 3:

Category	Institution/organization	Branch/Department
National	Department of Land Affairs.	Land and Tenure Reform Commission on Restitution of Land Rights Spatial Planning and Information
	Department of Environmental Affairs and Tourism.	DEAT Directorate Marine and Coastal Management South African National Biodiversity Institute South African National Parks EU Wild Coast Program Expanded Public Works Program
	Department of Mineral and Energy Affairs	Regional Office
	Department of Agriculture	Eastern Cape Department of Agriculture Plant Protection Research Institute LandCare
	Department of Water Affairs and Forestry	Working for Water Indigenous Forest Management Forestry Development Working on Fire Catchment Management Agencies
	Department of Local Government, Housing and Traditional Affairs	Directorate: Land Administration Directorate: Town and Regional Planning
Provincial	Department of Economic Affairs, Environment and Tourism	DEAET management Directorate: Biodiversity and Coastal Management Directorate: Impact Management OR Tambo and Amathole Regional office
	Eastern Cape Parks Board	Board Directorate Park Operations – Eastern Region Reserve Management
	Eastern Cape Development Corporation	Spatial and Rural Development Unit Enterprise Promotion Unit Project Development Unit
	Eastern Cape Tourism Board	Marketing Services Tourism Development Services
	Office of the Premier	Executive Council Eastern Cape Socio-Economic Consultative Council Cabinet Committee (Environment, Tourism and Agriculture)
Local	Amathole District Municipality and local communities	Office of the Mayor and Municipal Manager Environmental Management PIMMS Unit Planning and Administration Directorate Regional Tourism Bureau Amatola Water Board Amathole Development Agency

Category	Institution/organization	Branch/Department
	OR Tambo District Municipality and local communities	Office of the Mayor and Municipal Manager Environmental Management Planning Directorate Ntinga Development Agency Regional Tourism Bureau
	Mbizana Municipality and local communities	Office of the Mayor and Municipal Manager Environmental Management Local Economic Development Strategic Manager Coastal ward committees
	Qaukeni Municipality and local communities	Office of the Mayor and Municipal Manager Local Economic Development Strategic Manager Coastal ward committees
	Port St Johns Municipality and local communities	Office of the Mayor and Municipal Manager Local Economic Development Strategic Manager Port St Johns Development Agency Coastal ward committees
	Nyandeni Municipality and local communities	Office of the Mayor and Municipal Manager Local Economic Development Strategic Manager Coastal ward committees
	Mbashe Municipality and local communities	Office of the Mayor and Municipal Manager Local Economic Development Strategic Manager Coastal ward committees
	Mnquma Municipality and local communities	Office of the Mayor and Municipal Manager Local Economic Development Strategic Manager Coastal ward committees
	King Sabata Dalinydebo Municipality and local communities	Office of the Mayor and Municipal Manager Local Economic Development Strategic Manager Coastal ward committees
Co-operative Governance Structures	Wild Coast Program Steering Committee Provincial Coastal Committee Wild Coast Provincial Working Group Eastern Cape Implementation Committee OR Tambo Coastal Working Group Hluleka Community Conservation Initiative Mkambati Co-management Committee Dwesa-Cwebe Co-management Committee Mtentu Estuary Forum	
Traditional Authorities	Provincial House of Traditional Leaders Kings/ Queens Chiefs Headman and Sub-Headman 'Imbizo'	
Concessionaires	Mkambati Silaka Mtentu	
NGO's and other associated institutions	PondoCrop Save the Wild Coast Wild Coast Cottage Owners Association Wild Coast Holiday Association WWF-SA WESSA TRALSO Environmental Justice Networking Forum Wilderness Foundation Conservation International Eastern Cape NGO Coalition Wild Coast Sustainable Development Initiative Municipal Mentoring Project (MMP)	
Academic Institutions	Rhodes University University of KwaZulu-Natal (Durban and Pietermaritzburg University of Transkei University of Port Elizabeth University of Fort Hare Oceanographic Research Institute	

Category	Institution/organization	Branch/Department
	Institute of Natural Resources Plant Protection Research Institute Agricultural Research Council	
Funders	Development Bank of South Africa UNDP/GEF	

Baseline analysis

Threats, root causes and barrier analysis

49. During the project preparation stage, the project team conducted a threat analysis which is presented in Annex 4. A summary of the main threats is presented below[7].

50. Over-harvesting of marine and estuarine resources: Marine resources are exploited by a variety of users, including commercial, subsistence, illegal and recreational users, resulting in radical and often irreversible changes in community structure. Exploitation of marine resources in the intertidal and shallow subtidal areas has increased dramatically on the Wild Coast since the early 1990's. Extensive mussel removal by local communities has, in certain areas, resulted in a coralline-dominated shoreline and reduced levels of parent mussel stock to the extent that mussel recruitment fails. Despite the paucity of long-term monitoring studies in the Wild Coast, it is considered by marine scientists that all inter-tidal mollusks are over-utilized across the entire extent of the Wild Coast.

51. Over-exploitation of estuaries has affected various species through change in population size or biomass, change in body size, sex ratios, age composition, change in community composition and structure and change in life-history strategies. It has also indirectly led to habitat alteration or loss through, for example, extensive bait digging. Among the invertebrates, species such as bloodworm and pencil bait appear to be optimally or over-utilized throughout their range. Over-exploitation of plants is also evident in some estuaries close to settlements. Mangroves have been completely removed from one estuary in the Wild Coast –the Mnyameni - due to over-harvesting while in other systems, such as the Mngazana, there is a threat of over-exploitation due to ongoing harvesting pressure.

52. Over-extraction of forest resources: Only three species of indigenous forest species, *Drypetes gerrardii, Englerophytum natalense* and *Milletia sutherlandii* occur at densities that suggest their continued exploitation for fuel wood might be sustainable. Stem debarking for medicinal purposes has been shown to be extensive in 10 forest species and has reached critical levels in *Cassipourea gerrardii, Harpephyllum caffrum* and *Trichilia dregeana*. Debarking appears to be sustainable in only one species, *Macaranga capense.* Wood carving material from tree species such as *Milletia grandis* have been heavily exploited with little regard to sustainable harvesting. Pole-size trees are targeted for fencing and construction irrespective of species type with *M. grandis, Ptaeroxylon obliquum, Englerophytum natalense* and *D. gerrardii* being the most important and hence the most heavily impacted.

53. There is limited information available on the impacts of hunting. The existing protected areas are subject to regular problems of poaching by adjacent local communities. The illegal construction of new roads has also led to easy access to previously remote areas and large groups of well equipped outsiders have been reported hunting indiscriminately.

54. Unsustainable harvesting or poaching of medicinal and ornamental plants has led to some plant species to become extinct outside of protected areas. Observations of the market indicate that a number of medicinal and ornamental plant species are becoming scarce, with concomitant price increases, increasing imports, irregular supply, reductions in the size and/or thickness of plant products, and increasing use of substitute plants.

[7] These are threats to identified to type I and type 2 PAs, and in the latter category include threats at a landscape level.

55. Habitat degradation: Overgrazing of grasslands and compensatory burning is leading to habitat degradation, changes in species composition and loss of productivity. Inappropriate rangeland management has degraded most of the grasslands leading to a loss of floristic diversity and an increase in the unpalatable grass *Aristida junciformis*.

56. Invasive alien plants are having an increasingly significant impact on the biodiversity of the Wild Coast. Little is currently known of the full extent of invasions along the Wild Coast, but sites such as Port St Johns already show extensive colonization of triffid weed (*Chromolaena odorata*) and Barbados gooseberry (*Pereskia aculeata*). The high rainfall, rich soil and level of disturbance in some areas of the Wild Coast provide ideal conditions for the spread of invasives, and they could pose a substantial threat to biodiversity if allowed to multiply unchecked. The fact that their impacts are still relatively low makes control and eradication, within many of the region's coastal catchments and conservation areas, feasible.

57. Land clearing for agriculture, settlements and commercial forestry has led to increased fragmentation and habitat loss. Extensive and uncontrolled illegal sand mining along the coast contributed to the degradation of river beds, loss of benthic communities and erosion. Off-road driving along the coast resulted in increased erosion and loss of habitat of endemic species, such as African black oystercatcher and in "blow-outs" through the narrow coastal forest patches.

58. Potential threats: A number of people have recently tried to illegally acquire permissions to build holiday cottages on prime sites along the coast, sometimes in exchange for a small gift to the local headman. As a result, cottages have sprung up across the Wild Coast without any measure of control and this has begun to impact negatively on both the biodiversity and the landscape qualities. Efforts have been made to prevent illegal development, remove existing illegal structures, direct development in approved nodes and ensure that an Environmental Impact Assessment (EIA) is carried out to limit the threat and any future development would need an EIA. There are currently no, or limited formal systems in place for the effective management of waste in most of the development nodes across the Wild Coast, including within the protected area estate. The systems that are in place are often poorly managed and are inadequate to deal with the growing waste problem. Two controversial future developments, the re-alignment of the N2 toll road between Port Edward and Umtata and the heavy mineral mining at Xolobeni, may lead to further fragmentation and habitat loss.

59. The severity of the 14 identified threats to the current PA network in the Wild Coast (the ranking ranges from 1-5; where 1 is very low and 5 is very high while 0 = not applicable) are rated below:

Threat / Protected Area	Sand and heavy minerals mining	Clearing of land for agriculture	Illegal road development	Illegal harvesting of marine resources	Illegal harvesting of plant products	Illegal poaching of animals	Unsustainable levels of harvesting and grazing	Illegal off-road driving	Invasive alien plant species	Uncontrolled burning
IUCN Category IV										
Hluleka NR	1	2	1	3	3	3	3	2	3	2
Mkambati NR	1	1	2	3	2	1	3	2	3	2
Silaka NR	1	1	1	3	3	3	3	2	4	2
Dwesa-Cwebe NR	1	1	1	3	2	3	3	1	3	2
Hluleka MPA	0	0	0	3	0	0	0	0	0	0
Dwesa-Cwebe MPA	0	0	0	3	0	0	0	0	0	0
Pondoland MPA ("no-take")	2	0	0	4	0	0	0	0	0	0
IUCN Category V/VI										
Wild Coast Coastal Conservation Area	4	4	3	3	3	4	4	4	3	3
IUCN Category VI										

Indigenous State Forests (Trust Forests)	2	3	2	0	3	4	4	3	3	3
Pondoland MPA ("take")	2	0	0	2	0	0	1	0	0	0

Barriers

60. Three broad categories of barriers need to be removed in order to improve the efficiency of protected area management in the Wild Coast and contribute to the sustainability of South Africa's national system of protected areas, as well as securing the globally significant biodiversity of the Wild Coast.
61. The project has been designed to lift barriers to effective PA management in the Wild Coast, as follows[8]:

(i) Limited institutional capacity for protected area management in general and co-management in particular: The Wild Coast is characterized by weak capacity of the provincial, local authorities and the local communities to implement, enforce and monitor their conservation management mandate generally and administer co-management agreements specifically, both in the terrestrial and marine domain. There is a poor delineation of management responsibilities between different government agencies, the private sector and the communities. In addition there is an unclear mandate of various agencies responsible for enforcement, with two or three agencies having a mandate to enforce legislation over the same PA but with limited on-the-ground presence. Capacity weaknesses are a major determinant of weak management effectiveness in PAs. An analysis of Management effectiveness undertaken during project preparation using the WB/ WWF PA Management Effectiveness Tracking Tool found overall management effectiveness coefficients ranging from 27 to 50. While management effectiveness is sub-optimal across the PA estate along the Wild Coast, particularly low levels of effectiveness are apparent in the Type 2 PAs, and the Pondoland MPA. The highest levels of effectiveness are found in the Dwesa- Cwebe PA/ MPA complex.

(ii) Weak Capacity at the Systemic Level: While there is strong PA legislation in South Africa, and the policy basis for devolving Government service delivery and functions to the local level is in place, there is a need for subsidiary regulations to codify rights responsibilities incentives and sanctions for PA co management. Further, the overall planning framework for PA management remains deficient. Strategic plans have not been drafted for individual PAs, and there is a consequent weak linkage between planning functions and operations. Moreover, biodiversity conservation objectives, and PA management strategies in particular are poorly integrated into regional development plans. This is leading to inappropriate location of infrastructure, unfocused provision of services and unsustainable distribution of land uses. The existing communication systems do not adequately provide for effective communication on conservation strategies between public sector agencies, community groups and the private sector. Materials are not translated in local languages or if they are, are not user-friendly.

(iii) Knowledge barriers regarding parameters for sustainable use: The knowledge base concerning utilization of wild resources is not adequate to institute effective sustainable use management systems. There are currently no long-term monitoring programs in place to inform and update the knowledge base on levels of use of wild resources and their ecological impacts. The main barriers that need to be overcome in order to ensure sustainable natural resource use are: (i) the definition of the sustainable off-takes for different species; (ii) the optimum design for PAs to conserve the harvestable resources; (iii) the appropriate harvesting methods for various species; (iv) the benefit sharing schemes needed to ensure that access rights are equally distributed and tied to management obligations.
The main barriers that need to be overcome in order to ensure responsible and sustainable tourism are: (i) the lack of appropriate standards for tourism operators near PAs; (ii) the limited visitor management capacity; (iii) no monitoring system of tourism impacts on biodiversity; and (iv) the limited capacity among tourism operators to meet responsible tourism standards.

Baseline

[8] Annex 4 of the Pro DIOC, Threats Analysis, presents these barriers against threats and root causes.

62. The baseline course of events over the next six years described as activities that can be justified independently of global benefits is presented below for the three project outcomes:

(i) Institutional framework for protected area management in the Wild Coast:

63. The Eastern Cape Parks Board, as a newly established parastatal, is in the process of securing delegated authority for the protected areas from DEAET, transferring staff from DEAET and the Eastern Cape Tourism Board, negotiating financing grants from central and provincial government, transferring assets and liabilities, appointing staff and developing its organizational strategy, operational plans and business plans. During this transitional process, the management of the provincial nature reserves in the Wild Coast is being sustained at a minimal, utilitarian level until these institutional and logistical arrangements have been concluded. The staff numbers, resources and skills within the provincial reserves are currently sufficient to meet only the minimum reserve management requirements.

64. Currently there is no MCM staff dedicated to the management of any of the marine protected areas. The small numbers of MCM officials in the Wild Coast (currently 7 staff for the 250 km of coastline) are essentially limited to quota controls in the development and recreational nodes. The inter-tidal areas of the MPAs adjacent to Hluleka, Mkambati and Dwesa-Cwebe are monitored by ECPB staff with the remaining coastline in the CCA monitored by DEAET staff, but they have limited training, staff and equipment, no back-up support and no formal delegation of authority. None of the MPAs currently have any functioning strategic management or business plans. The management of estuaries, although a MCM function, is carried out by ECPB, DEAET and municipal staff albeit ineffectively due to lack of an adequate staff complement and requisite skills. No established channel of communication exists between MCM and DEAET or ECPB to co-ordinate aspects specifically associated with marine resource utilization and management of MPAs.

65. Notwithstanding the legislative mandate and responsibilities of the DWAF for the management of indigenous forests, the management staff work under immense constraints and have been unable to prevent the increase in illegal use of indigenous forests. Some of these constraints include: severe staff shortages; poor facilities and equipment; poorly trained forest guards; little support to forest guards from local community structures; demotivation of staff due to restructuring and redeployment; and lack of administrative back up. A process is underway and funding has been secured by DWAF to delegate the management authority of the indigenous forests to an 'appropriate and capacitated' management authority. DEAET currently manage state forests within the Provincial Nature Reserves although the management authority for these state forests has yet to be formally delegated to DEAET.

66. In the Coastal Conservation Area, a number of private low- and high-density tourism developments (CCA) are being conceptualized, planned and implemented, in collaboration with local communities, within the development nodes defined in the Wild Coast Tourism Development Policy (WCTDP). The absence of the implementation of the institutional arrangements envisaged by the WCTDP to direct the implementation of the tourism investments in the CCA and the lack of clarity on the legal authority is further limiting sustainable tourism development opportunities within the coastal zone and inadequate implementation of the operational guidelines. Enforcement of the CCA is broadly the responsibility of DEAET, although other agencies may also implement complementary legislation within the CCA. Despite successful prosecution of illegal developers, and in some cases the demolition of illegal cottages, by DEAET and DEAT, the establishment of illegal developments within the CCA had not entirely stopped. There is a dramatic increase in off-road driving by cottage occupants, tourists, fishermen, tour operators and residents on the beaches, state forests and other communal land within the CCA. There is a general lack of enforcement by DEAET, DEAT (MCM) or DWAF staff of off-road driving regulations. This is primarily due to a lack of staff located within the CCA. Although there are no official sand mines registered by the Department of Mineral and Energy Affairs (DMEA) within the CCA, building contractors are illegally excavating sand on a small scale across the entire extent of the CCA, but particularly on the river margins, with impunity from enforcement of regulations.

(ii) Management effectiveness in type 1 protected areas:

67. In the business as usual scenario, the ECPB will cover staffing and basic operational expenses in the five provincial nature reserves. The current situation is that most of the PAs in the Wild Coast do not have any strategic management planning, structured knowledge management systems or business plans to direct and guide their management. There are limited or no specialist support services (technical, construction, financial, research) to the PA staff. Existing PA income from entry fees, lease agreements and tourism facilities is currently supplemented by financial support for invasive alien clearing programs from Working for Water, infrastructure and conservation maintenance programs from the DEAT Expanded Public Works Program and funding grants for recurrent and capital expenditure. Two tourism concessions have been awarded in the Mkambati and Silaka Provincial Nature Reserves and provide for private sector involvement and investment in tourism activities in the provincial reserves. The current tourism facilities and services in Hluleka and Dwesa-Cwebe are being upgraded.

68. Despite the localized success of PFM in the State Forests (Type 2 PAs), relationships with local communities are generally poor to functional in the PAs and there are only limited formalized co-management structures and agreements in place with weak capacity to administer these agreements. There are no structured educational programs undertaken in, or by the PAs.

69. Despite the afore-mentioned investments, a number of gaps would remain in the arena of PA management. Limited resources would be allocated directly to the management of MPAs, with fishery enforcement activities spread diffusely along the coastline, without concentration in the MPAs. Overlapping jurisdictions for the management of MPAs (between MCM and the Province), currently in play, would likely continue. There is an unmet need to rationalize management of MPAs, founded on sound business plans and underpinned by capacity building. As far as the terrestrial PAs are concerned, management efficiency could be bolstered through pooling staff and other resources under a PA cluster management approach, and using a management effectiveness rubric as a basis for assigning financial and human resources.

70. In the next five years, without the GEF intervention, the planning and management process may be driven, in large part, by the socio-economic needs of local communities and commercial needs of private developers with limited control by the relevant conservation agencies with the risk that short-term commercial pressures could result in decisions/activities which could have lasting negative consequences for biodiversity. The PA agencies ability and capacity to establish and sustain co-management arrangements will be weak and agencies will revert to a simpler command-and-control management system.

(iii) Local economic development and conservation management in Type II PAs

71. As the mechanism for directing implementation for the spatial, economic and political development of the municipal areas, the Integrated Development Plans (IDPs) will align the municipal planning with the development plans and strategies of other organs of state. The IDPs aim to address poverty alleviation and sustainable development in the Wild Coast but do not explicitly, further the conservation management agenda. Conservation and sustainable use objectives are not effectively mainstreamed into the poverty alleviation and rural development agenda of the Wild Coast using the IDP, and other complementary policies and planning instruments. The local municipalities within the Wild Coast have severe technical and management skills constraints and many of the professional municipal services are provided by external service providers.

72. A number of localized sustainable resource use and development programs and initiatives will take place in the Wild Coast over the next six years, including: the development of municipal Strategic Environmental Assessments (SEA), Spatial Development Frameworks (SDF) and Land Use Management Systems (LUMS) supported by DBSA and DLG&H; support to the implementation of the Participatory Forest Management policy in key indigenous forests funded by GTZ; Community Based Natural Resource

Management in selected areas supported by GTZ, DFID and other funders; the development, support and implementation of community-based tourism enterprises in the Pondoland area of the Wild Coast supported by the European Union and DEAT; the development and implementation of a tourism development framework for the Wild Coast supported by DEAT and the District Municipalities; the support of mussel rehabilitation programs and abalone farming supported by MCM and DBSA; implementation of poverty alleviation projects through the Expanded Public Works Program funded by DEAT and the Department of Transport; the promotion of the management and sustainable use of the Wild Coast Estuaries through cooperative governance structures supported by the Water Research Commission; environmental education programs supported by various funding sources; the development of community woodlots and the delegation of management of selected state forests to local communities supported by DWAF; the support for sustainable agriculture practices and LandCare programs supported by DA, municipalities, TRALSO and WWF-SA; the clearing of invasive alien plants supported by Working for Water and CoastCare; the establishment and operations of Fire Protection Associations supported by Working on Fire; the identification and development of commercial forestry in Pondoland supported by DWAF; the cleanup and rehabilitation of the coastal zone supported by CoastCare; the training and development of tourism-based entrepreneurs supported by private business, municipalities, THETA, WWF-SA and EU and; the processing of land restitution claims supported by the Land Claims Commission and TRALSO.

73. The extensive presence of local communities living a largely subsistence lifestyle on communal land with high biodiversity value in the Wild Coast effectively inhibits the proclamation of traditional formal protected areas. Innovative alternative co-management models need to be developed that do not threaten land tenure and support the livelihoods of local people, permit them to use selected resources in a sustainable manner and provide alternative means of income that reduce their reliance on natural resources. The development of co-managed protected areas is however currently in its infancy in South Africa and, whilst the policy and legislation allows for such initiatives, there is a gap in knowledge and readily demonstrable models to facilitate conservation using this mechanism.

74. In the business as usual scenario, the ECPB will cover staffing and basic operational expenses in the five provincial nature reserves, MCM will invest in strengthening enforcement and compliance monitoring for the coast, while DEAET will continue to ensure basic monitoring of the CCA (including demolition of illegal cottages and controls over illegal harvesting of marine resources).

PART II. STRATEGY

Project Rationale and Policy Conformity

75. While South Africa's investment in its protected area system is significant and will continue, limitations in resources means that purchase of private lands for conservation activities within a 'public' protected area estate cannot continue indefinitely and alternative mechanisms are necessary. There is a high unmet need to address conservation and sustainable use objectives on communal lands. Support is needed to help plan and implement a strategy for conservation management of the communal lands of the Wild Coast, founded on the establishment of protected areas under co-management arrangements with communities, and integrated within the country's sustainable development framework. These needs mark out an entry point for GEF intervention.

76. A number of alternative strategies for spearheading conservation goals were evaluated during project design. This included mainstreaming biodiversity in production sectors as a whole, focusing on the entire Wild Coast planning domain. Such an umbrella level sector-focused strategy was ultimately discarded owing to the need to spatially focus management attention in order to protect the main storehouses of biodiversity. A broad landscape approach would not have allowed the management intensity needed to remediate threats in these areas. A strategic intervention focused on strengthening management effectiveness in PAs was selected, as it is more immediately aligned with conservation needs. Simultaneous efforts will be made to integrate PA management activities in the local socio-economic development

paradigm.

Project Goal, Objectives, Outcomes and Outputs and activities

77. The Project will contribute towards the improvement of South Africa's Protected Area System. The Project seeks to develop a representative PA estate on communally owned land along the Wild Coast[9]. These protected areas will be managed under a range of co-management agreements[10] between provincial and national authorities, local communities and the private sector, as suited to the management challenges facing different sites. There are three main intervention areas: strengthening the institutional framework for co-management; strengthening management effectiveness in existing Type I PAs; and strengthening management in Type II PAs. These interventions will be nested in an integrated *land use plan* for the Wild Coast that integrates the management of PAs with the regional sustainable development framework. GEF funding will be allocated towards building capacity at the systemic, institutional and individual levels for PA co-management while significant co-financing has been leveraged for accompanying environmental management and community development activities.

78. The long-term national goal of the full GEF project is: "a representative system of protected areas in priority bioregions is established, effectively managed and contributes to sustainable development." The purpose is that "an effective network of protected areas is established on the Wild Coast and provides tested co-management models for replication". The purpose contributes to the goal in three ways: (i) expanding PA coverage, and improving management effectiveness in PAs along South African Wild Coast, so contributing to improved bio-geographic representation in the national system; (ii) augmenting the management tool box, by establishing a paradigm for co-management of protected areas, that may be replicated in protected areas established on or adjacent to communal lands and; (iii) providing a model for integrating PA management and poverty alleviation programs operative on communal lands, and applicable to the poorest regions of the country. While South Africa's Protected Area System is relatively strong, these contributions will address critical coverage and management gaps that will further improve its status—contributing towards the maturation of the System.

Outcomes, Outputs and Activities

79. The project purpose will be achieved through the following three complementary outcomes, which have been identified in the preparation stage:

Outcome 1: Institutional framework and capacity to facilitate co-management systems for PAs is in place.

Outcome 2: Management effectiveness is enhanced within a rationalized and more representative system of protected areas (Type 1 PAs), operating under co-management agreements with local communities and the private sector.

Outcome 3: A functioning network of managed resource use protected areas (Type 2 PAs) is in place, and is being effectively managed in active collaboration with local communities.

Outcome 1: Institutional framework and capacity to facilitate co-management systems for protected areas is in place.

[9] The proposed focus of interventions at the sub-regional level is justified in light of the country context to (i) address gaps in bio-geographic coverage; and (ii) to protect biodiversity in a globally threatened hotspot, in need of immediate attention; however replication effects are targeted more broadly at the national level.

[10] The term "co-management" used in the project is based on the definition of Borini-Feyerabend, G. (Collaborative Management of Protected Areas: Tailoring the Approach to the context, 1996). "Collaborative management[10] differs from other forms of participatory management in that it entails a conscious and official distribution of responsibility, with the formal vesting of some authority. It describes a partnership among different stakeholders for the management of a territory or a set of resources. The stakeholders (which typically include the agency with jurisdiction over the territory or set of resources as well as organization s of local residents and resource users), develop an agreement which specifies their respective roles, responsibilities and rights in management.

Total Cost: US$ 3,345,200; Co-Financing: US$ 903,000; GEF Request: US$ 2,422,200

Main outputs and activities:

1.1. Capacity of the Eastern region of the Eastern Cape Parks Board to broker co-management agreements is strengthened – this output would entail: (i) the establishment of a Co-management Assistance Support Unit (CASU); (ii) development of a five year business plan for CASU; (iii) establishment of a Task Team for Capacity Building; and (iv) building the capacity of the CASU and other departments of ECPB in brokering co-management agreements through conducting a series of highly specialized training courses on legal aspects, fundraising, communication and negotiation skills. The CASU will be located in the office of the Eastern region of the Eastern Cape Parks Board and will provide expert services for the design and implementation of co-management agreements for the institution. The CASU will be composed of a Project and Brokering Coordinator, a Skills Development Facilitator, a part time financial manager (all hired on a contractual basis for the duration of the project using GEF resources), a community liaison officer (funded by the ECPB and DEAT) and an administrative assistant (funded by ECPB). GEF funds will be used for staffing, equipping CASU, hiring a protected area advisor and consultants to undertake training, conducting a series of workshops and operational expenses for CASU.

1.2. Capacity of the Eastern region of the Eastern Cape Parks Board to implement co-management agreements is improved – Based on the needs assessment undertaken during the project preparation phase, GEF resources will be allocated to finance a comprehensive ongoing training program for ECPB staff that builds its capacity to implement co-management models. GEF resources will cover the costs associated with a series of workshops and training activities. Co-financing from ECPB has been secured for some of the workshop costs and operational expenses.

1.3. Strategic key institutions (municipalities, land affairs, etc) will have an increased capacity to actively participate in co-management agreements – Based on the needs assessment undertaken during project preparation, GEF funds will support the implementation of an ongoing training program for the municipalities, local offices of Land Affairs Department and the other agencies with specific contributions to the successful implementation of co-management models. The Project Coordinator and the Skills Development Facilitator will work with the local municipalities to develop a set of guidelines to ensure that the conservation objectives and co-management guidelines are mainstreamed into Integrated Development Plans. ECPB and district and local municipalities will contribute the time of their staff and operational expenses to the achievement of this output.

1.4. Knowledge management system for establishment and implementation of co-management agreements is developed – The project will facilitate the exchange of ideas and lessons learnt between the project and other initiatives in South Africa and the region through the National Knowledge Management System housed in SANBI's Collaborative Learning Center. The project coordinator and the community officer will undertake a comprehensive assessment of the co-management arrangements for each protected area based on the review conducted in the preparation stage. This will form the basis for the development of a "how to" kit for set-up and management of various types of co-management agreements and of a set of guidelines and interventions specific for each type of com-management agreements. The project will also provide for secondments, village to village exchange for the representative of the local governmental and traditional authorities, workshops and study tours to ensure that the lessons learnt are shared and replicated elsewhere.

1.5. Norms and standards guiding the co-management of protected areas are produced and adopted by the relevant institutions - Based on the toolbox developed as output 1.4. the project will contract legal expertise to assist the Eastern Cape Parks Board with: (i) the development of norms and standards for co-management of PA in the Wild Coast; (ii) the translation of these norms and

standards into a set of regulations that will guide the implementation of various types of co-management models (which will represent the first such regulations for South Africa); (iii) conducting a series of consultations with relevant institutions in Eastern Cape and with other provincial and national agencies in South Africa; and (iv) the adoption of the regulations by the Eastern Cape Parks Board.

1.6. Financial mechanism for protected areas in place – The CASU will establish a Task Team on Financial Sustainability and will contract financial expertise to work with the Team to: (i) perform detailed feasibility studies of the regulatory requirements, structural requirements and anticipated flows of the key financing mechanisms for the Wild Coast identified in the preparation stage, such as user fees/charges (levies, entries, leases, accommodation and tolls), tradable permits (land use rights), securitisation and extraction quotas (fishing, bio-prospecting and natural resource harvesting permits); (ii) establish the structural and regulatory framework required for successful implementation of the various financial mechanisms; and (iii) provide the legal, technical and financial support to ECPB to negotiate with relevant institutions, and amend the appropriate regulations and procedures where required.

1.7. Sustainable resource use policy is developed – The project with funds from the GEF and ECPB will support the formal development of policy guidelines on sustainable use of natural resources in the Wild Coast. The CASU will contract specialist expertise to collaboratively develop detailed policy guidelines through a series of multi-stakeholder workshops.

1.8. Increased awareness and understanding of key stakeholders about co-management agreements – The skills development facilitator, together with the communication consultant, will lead the effort of building on, and sustaining public support for co-management and conservation developed during the project preparation phase. GEF and ECPB funds will contribute to: (i) the development and implementation of a targeted communication and outreach strategy, including a set of tools for communications with communities living in the priority areas; and (ii) the design of a series of materials translated in all local languages relevant for the priority areas.

1.9. Comprehensive monitoring and evaluation system designed and operational - The project will establish a M&E system with the key function to facilitate adaptive measures to improve impact and accommodate lessons emerging elsewhere. This includes the identification of mechanisms and processes which are working and therefore are ready to be replicated and the modification of what is not working in order to achieve the project objectives. In addition, the independent evaluation scheduled during project life (year 2 and 4) will be tasked with the identification of determinants of success for project activities. The Management Effectiveness Tracking Tool (METT) developed jointly by the WWF and the World Bank, was used in the preparation stage to establish baseline values for targeted provincial nature reserves, marine protected areas, state forests and Coastal Conservation Area. The METT will be conducted mid-term and at the end of the project and compared with the stated indicators for mid term and end of the project. The project will also support the collection and processing of data for M&E and annual stakeholder meetings to share the information obtained from monitoring.

Outcome 2: Management effectiveness is enhanced within a rationalized and more representative system of protected areas (Type 1 PAs), operating under co-management agreements with local communities and the private sector.

Total Cost: US$ 3,966,000; Co-Financing: US$ 2,470,000; GEF Request: US$ 1,496,000

Main outputs and activities:

2.1. Local community structures have an increased capacity to negotiate and implement co-management agreements – Using the knowledge developed during the project preparation phase, the community liaison officer, supported by a community outreach team will conduct a series of consultations with the existing co-management structures in the protected areas to identify the specific capacity needs of local communities to implement the co-management agreements. For the areas where there is no co-management structure, the community liaison officer will work together with a service provider and the community outreach team to strengthen and formalize the relationship between the protected area and local community institutions. A series of training courses on financial management, legal issues, governance, basic conservation management, negotiation and communication skills will be organized for the community structures. GEF funds will be used to provide adequate logistical support and complementary training for the community structures to enable them to act as equal partners in negotiating and implementing co-management models.

2.2. Adaptive management planning systems for each type 1 protected area is established – This would entail: (i) hiring a conservation planner specialist to undertake a revision of the institutional, bio-physical, heritage and socio-economic characteristics of the provincial nature reserves and category 1 and 2 MPAs; (ii) establishment of small Reserve Management Planning Teams (RMPT) composed of the reserve manager, regional conservation planner, regional ecologist and representatives of the local community; (iii) development of the strategic management plan for each reserve facilitated by the newly created RMPTs; (iv) preparation of a spatial Conservation Development Framework for each reserve indicating forward planning for infrastructural developments and management zonations; (v) development of a detailed alien control program; and (vi) preparation of the first annual operational plan for each protected area. The GEF resources will cover the funds associated with consultancies and workshops, while the various institutions will contribute the time of their representatives to participate in the Reserve Management Teams and coordinate the activities under this output. ECPB and MCM will cover the costs associated with the salaries for protected area staff and operational expenses.

2.3. Active management interventions – The project will support the implementation of the strategic management interventions identified in the conservation management plan for each targeted reserve. This will include: (i) implementation of new alien control techniques; (ii) evaluating fire management requirements for coastal grasslands; (iii) development of a functional knowledge management system; and iv) equipment for patrolling the offshore MPAs. GEF resources will cover the costs of materials and equipment and consultancies for the management interventions. All the management interventions will be supervised by the reserve managers of each protected area and in most of the cases will be undertaken by the protected area staff.

2.4. Protected areas expanded into adjacent communal land through co-management agreements – The project will provide funding to CASU to conduct multi stakeholder workshops and hire a legal specialist in order to: (i) prioritize the protected areas proposed in the preparation stage for consolidation, rationalization and expansion; (ii) identify and select potential options for consolidation, rationalization and expansion on prioritized protected areas based on ground-truthing of the assessments carried out in the preparation stage; (iii) negotiate the most effective co-management model for the selected options; (iv) develop the legal co-management agreement; (v) establish, or strengthen, the most appropriate structure to manage the implementation; (vi) facilitate the transition of the agreement to implementation; and (vii) prepare the amendment to proclamation.

Outcome 3. A functioning network of managed resource use protected areas (Type 2 PAs – IUCN category VI) is in place, and is being effectively managed in active collaboration with local communities.

Total cost: US$ 23,506,800; Co-financing: US$ 20,945,000; GEF Request: US$ 2,561,800

Main outputs and activities:

3.1. Rationalize the delegated management authority – The project will remove the barriers, identified during the project preparation phase, associated with unclear agencies mandate and lack of coordination between various governmental departments responsible for enforcement of legislation with regard to state forest areas, category 2 MPAs and the Coastal Conservation Area (CCA) and implement the most appropriate mechanisms for active collaboration with, and involvement of, local communities. CASU will contract the services of a legal specialist and a human resource specialist, who will work closely with the Conservation Planner of the Eastern region of ECPB, DWAF, municipalities and other agencies to: (i) rationalize the delegated management authority, which will include development of the mechanisms for delegating the management authority to one agency, with clear roles and responsibilities for conservation and management; (ii) rationalize protected area status - produce the legal documents required to have all protected areas in the Wild Coast proclaimed at the adequate level of protection, using the appropriate legislation; (iii) incorporate the Coastal Conservation Area into provincial environmental legislation – and reproclaim it as "protected natural environment" in terms of the Protected Area Act; and (iv) identify the most appropriate mechanisms for co-management of the PAs.

3.2. Local community structures have an increased capacity to negotiate and implement co-management agreements – The community liaison officer (supported by the community outreach team) will conduct a series of consultations with the existent community structures in the protected areas and, based on the outcomes of these consultations, will identify the most appropriate co-management arrangements. For the areas where there is no appropriate legal institutional structure, the community liaison officer will work together with a service provider and the community outreach team to strengthen the existing community institutions. A series of training courses on financial management, legal issues, governance, basic conservation management, negotiation and communication skills will be organized for selected community structures in the priority areas identified during the project preparation phase. GEF funds will be used to provide adequate logistical support (equipment, furniture) for the community structures to enable them to act as equal partners in negotiating and implementing co-management models.

3.3. Cooperative governance structure for the Coastal Conservation Area is established – The project will support the implementation of the Transkei Environmental Decree (and subsequent enabling legislation) which provides for the declaration of the CCA to protect the environmentally sensitive coastal zone from uncontrolled development activities through the establishment of a cooperative governance structure and planning framework for its management. GEF resources will be used to update, and gazette, the spatial planning and land use management guidelines in the Wild Coast Tourism Development Policy and to develop a tracking tool for processing development applications.

3.4. Adaptive management planning systems for the protected area is established – This would entail: (i) development of strategic management plans for indigenous state forests, facilitated by the PFM, or other co-management/governance, structures; (ii) preparation of a spatial Conservation Development Framework for indigenous state forests indicating forward planning for infrastructural developments and management zonations; (iii) development of an alien clearing program for state forests and the CCA and; (iv) development of a set of guidelines for sustainable use of the natural resources for each Type 2 PA. The GEF resources will cover the funds associated with consultancies and workshops, while the various institutions will contribute the time of their representatives to participate in the management planning processes and coordinate the activities under this output.

3.5. Active management interventions – The project will support the implementation of the strategic interventions identified in the conservation management plan for each targeted protected area. This will include: (i) boundary survey and demarcation of state forests, category 2 MPAs and the CCA;

(ii) establishment and implementation of community-led monitoring services in state forests, category 2 MPAs and the CCA; (iii) implementation of new alien control techniques in state forests and the CCA; (iv) development of a functional knowledge management system and (v) rehabilitation of priority state forests. GEF resources will cover the costs of materials and equipment and consultancies for the management interventions. All the management interventions will be supervised by the managers of each protected area and in most of the cases will be undertaken by the protected area staff and local communities. DEAT and DWAF will contribute significantly to this output. DEAET and DWAF will provide the operational management staff, resources and equipment to oversee and/or manage the implementation of these management interventions.

3.6. Micro-enterprises based on sustainable use of resources are facilitated in the Wild Coast – The project will contract specialist expertise to: (i) undertake a survey of resource use in and around protected areas; (ii) determine the thresholds of potential concern (TPC); (iii) develop guidelines for harvesting based on the TPCs, including appropriate harvesting methods for various species; and (iv) develop procedures to deal with use that exceeds TPCs. The results of this field work will fed directly into the sustainable resource use policy (Output 1.7). In addition, the project will commission a second order economic study composed of (i) an enforcement analysis – to define the most appropriate focus and intensity of enforcement; (ii) opportunity cost analysis for different land parcels; and (iii) a distribution analysis of the costs and benefits and changes in cost benefit profiles stemming from changes in relative prices of land-use. Co-financing has been secured for the following activities, aiming to improve livelihoods based on the use of natural resources: (i) identification of potential enterprises based on sustainable use of natural resources; (ii) identification of interested commercial agencies and brokering linkages between them and local communities; (iii) identification of potential local entrepreneurs; and (iv) training in business skills.

3.7. Protected areas consolidated into viable management units through co-management agreements – The CASU will provide funding to conduct multi stakeholder workshops and hire expertise with the aim to: (i) prioritize the area proposed in the preparation stage for connectivity; (ii) identify and select potential options for connectivity on prioritized protected areas based on ground-truthing of the assessments carried out in the preparation stage; (iii) negotiate the most effective co-management model for the selected options; (iv) develop the legal co-management agreement; (v) establish the most appropriate structure to manage the implementation; (vi) facilitate the transition of the agreement to implementation and (vii) prepare the amendment to proclamation. GEF resources will be used to fund a series of multi-stakeholder workshops, consultancies and equipment.

Project Indicators, Risks and Assumptions and Lessons Learnt

80. The project indicators are described in detail in Section II: Part II of the Project Document (Logical Framework) as well as in the Results Measurements Table in Annex 5. Briefly, the indicators are as follows:

Purpose level:

- Increase of protected areas estate coverage through strategic additions to the conservation estate (percentage of total indigenous state forests incorporated into formal PA estate; % of total coastal conservation area with the legal tenure secured; increase in number of ha managed as provincial PA; extent of communal land included into resource use PA estate);
- Inclusion of the priority vegetation types into PA estate contribute at least 10% of the regional conservation targets for PA;
- Compatibility of economic returns (R/ha) and employment opportunities (person days/year) from PA estate with existing and competing land uses.

Outcome level: By the end of the project:

- Greater than 60% of staffing in the key management institutions meet the targeted occupational levels, competence and skills;
- The average score of staff performance evaluations for the key implementing agencies is equal to or exceeds 3/5 (or equivalent by the end of the project);
- Management effectiveness index of all PAs is increased by 25-40% as monitored by METT;
- Communal land included into expanded PA estate greater than 10,000 ha (additional to existing estate);
- The budget amount appropriated for PA operational management costs will have increased by 250% for the expanded PA estate, with additional revenue secured from park usage/concession fees, new concession financing mechanisms and a reduction in the HR: operations budget ratio to 60:40;
- Awareness and understanding levels of co-management by municipal and community structures exceeds 40%;
- All Type 1 protected areas are integrated into a properly funded and managed integrated IAS control and eradication program;
- Six co-management structures established, maintained and functioning effectively and two co-management structures replicated on communal land elsewhere in southern Africa based on the tested models developed by the project.

81. The risks confronting the project have been carefully evaluated during project preparation, and risk mitigation measures have been internalized into the design of the project. A careful analysis of threats to Protected Areas and their determinants has been performed, and project interventions have been designed to deal with all known threats. Six main risks have been identified, and are summarized below. Other assumptions behind project design are elaborated in the Logical Framework.

Risk		**Risk Mitigation Measure**
Delays in the transfer of tenure to local communities for communal lands identified as important for the expansion of PAs on communal land. This would delay processing of easements with traditional authorities for off-reserve conservation.	S	The Communal Lands Right Act provides a legal basis for transferring ownership of Communal Lands now managed by local government to local communities. **Baseline:** Fast track survey of communal landholdings and tenure transfer applications for priority areas; strengthen systems for conflict resolution; establish and/or strengthen representative legal community structures.
Delay in the institution of co-management arrangements with local communities; weak support of communities for self enforcement schemes.	M	**Alternative:** Development of clear co-management guidelines in year 1; capacity development activities for traditional authorities in core PAs to be initiated immediately; ongoing communication process to be initiated and sustained through course of project; independent evaluation of progress in effecting co-management planned for yr 2, allowing corrective action to be taken. Independent social assessment will gauge local perceptions of conservation, allowing enforcement to be adapted.
The three tiers of Government: National, Provincial and Local do not act in concert in discharging their environmental management functions.	M	**Alternative:** Establishment, and/or support, of new or existing cooperative governance structures between the different tiers of Government and traditional authorities; strengthen planning, monitoring and operations capacity of municipalities, DWAF, DEAT, DEAET and Eastern Cape Parks Board to work collaboratively.
Significant increase in external development pressures on protected areas and surrounding landscapes.	M	**Baseline**: Conduct strategic environment assessments, strategic development frameworks and land use management systems to: (i) define minimum impact mitigation measures for ecologically sensitive areas outside of PAs; (ii) develop offset schemes, to compensate for externalities; and (iii) include top conservation priority areas in PAs. Strengthen legal status, and enforcement, of Coastal Conservation Area. Embed outcomes of SEA and SDF into formal Land Use Management Systems of the municipalities.
Government funding appropriations for	L	**Alternative:** Tied disbursements: GEF funding to levels of

staffing and operating the Eastern Cape Parks Board are delayed.		Provincial budgetary support for Parks Board; upstream budgetary negotiations.
Weak integration of conservation interventions and baseline development activities particularly in production sectors (agriculture, forestry, and mining).	L	**Alternative:** Integration of PA management objectives into Integrated Development Plans for three municipalities; **Baseline:** definition of conservation compatible land uses in buffer areas (Strategic Environment Assessment, Strategic Development Framework and Land Use Management System)—to inform siting of infrastructure.
Overall Rating	**M**	

Risk Rating: L - Low; M – Medium; S – Substantial

Lessons learnt

82. The project has been designed based on a careful evaluation of lessons learned in the arena of protected area co-management, and devolution of management responsibilities for PA administration. Some of the lessons that have informed the design of interventions include:

Lesson	**Notes**	**Design Feature**
1. A supportive policy environment is needed for the devolution (as opposed to decentralization) of governance powers to the local level.	Community participation was not a feature of conservation in the apartheid era. While the Government has taken steps to rectify the situation, in the spirit of improving democratic governance, the tools and capacity to facilitate active co-management need to be constructed. The policy for devolution of government powers is in place, including in Local Government Legislation, Biodiversity Act and the PA Act.	The need to test, adapt and replicate co-management systems provides a key entry point for project interventions. Project interventions are geared towards installing the capacities to broker and execute co-management, defined as a process rather than as an end. **(Output 1.1 – 1.5, 2.1 and 3.2)**
2. Sound PA governance is a pre-requisite for successful co-management. There must be effective enforcement of rules. There is a need to strengthen the capacity of PA authorities to perform basic functions such as planning, monitoring, enforcement and reporting, and to ensure timely activity delivery, as per agreements with other parties to co-management compacts.	There is no systematic tool in place for evaluating PA management effectiveness. PA Management effectiveness is not routinely addressed in skills evaluation or the design of training programs. The intensity of input is thus not necessarily correlated with outcomes (impacts/ sustainability).	The Management Effectiveness Tracking Tool will be used as a basis for evaluating the effectiveness of PA management. The METT will be conducted in mid-term and at the end of the project and compared with the stated indicators for mid term and end of the project (**Output 1.9)**
3. Clarity of purpose is needed amongst all partner institutions, at all levels with respect to on-ground implementation of co-management.	Information systems need to be designed that provide for the exchange of information between all actors participating in management decisions. Co-operative governance structures need to be maintained to ensure integration and alignment of complementary initiatives.	The project will develop a "how to" kit for setting-up and managing various types of co-management agreements. This toolbox will be shared with all stakeholders involved in on-ground implementation (**Output 1.4)** A targeted communication strategy will be implemented, geared to the needs of different stakeholding groups (**Output 1.8)**
4. Rights and rules must be clearly articulated. Rights need to be fairly	South Africa is supporting a land reform process, aimed at restoring	The project will establish mechanisms to rationalize the

Lesson	Notes	Design Feature
distributed, and underpinned by a clear sense of security (tenure and usufruct rights); transparency in decision-making is an imperative.	rights to previously disadvantaged communities. The transfer of rights by law is subject to the fulfillment of management obligations by the beneficiaries.	delegated management authority and increase coordination between all stakeholders involved in PA management (**Output 1.1 – 1.3, 3.1 and 3.3)**
5. Co-management approaches need to be cognizant that communities are not homogeneous entities. Special attention is needed where communities are fractured, or leadership is unclear. Community partners need to be represented by strong institutions, and community institutions must be strengthened to ensure they are representative, democratic and effective. This support is a key adjunct to rights transfer.	There is considerable social heterogeneity in the Wild Coast Area, with different community institutions providing different levels of leadership across the landscape. This demands different approaches to community mobilization/ involvement in the different PAs, and in particular, the selection of partner institutions for co-management.	A comprehensive participation plan has been designed as an integral part of this initiative, with a special emphasis on communities. Strengthening existent community structures to be able to negotiate and implement co-management agreements is a key feature of the project design and will involve a set of approaches tailored to the specific circumstances of each community (**Output 2.1 and 3.2**)
6. Systems for resolving conflicts between and within institutions and communities need to be put in place, and sanctions need to be agreed, to make parties accountable.		Provisions have been made that the toolbox for co-management would include the participatory development of systems for conflict resolutions (**Output 1.4)**
7. Effective systems for ensuring compliance with agreed rules need to be established; this may include a mix of incentives and penalties.	The optimum intensity of enforcement may be determined by analysis of enforcement options for the PAs: however, these are rarely commissioned for SA PAs.	Alternative options for enforcement will be assessed, as part of the **Output 2.2, 3.4 and 3.6** to define the most appropriate focus and intensity of enforcement.
8. There is a need to account for financial sustainability at the outset, with a clear strategy for ensuring that recurrent costs (including depreciation on capital assets) can be absorbed.	A 'first-order' economic analysis was undertaken during project preparation, showing that prospective economic benefits justify conservation intervention. Second order studies are needed, to establish opportunity costs for different land parcels, distribution of costs and benefits, and changes in cost benefit profiles stemming from changes in relative prices of land use.	The Government has provided an assurance that core management costs will be provided through existing budgets and other public funding sources such as the Marine Living Resources Fund, CoastCare, Land Care, Working on Fire and Expanded Public Works programs. Provision has been made, as part of **Output 1.6** for the development of earmarked financial mechanisms, including user fees, park service concessioning and market instruments.

Expected global, national and local benefits

83. The biodiversity of the Wild Coast provides a range of benefits at the global and local levels, with associated direct, indirect use, option, and existence values. The global community will benefit from the protection of an important biodiversity hotspot, and unique species and races endemic to the area that are presently threatened with extirpation. The conservation function of the PA estate in the Wild Coast will be better serviced, through improved management effectiveness and enhanced bio-geographic representation. Provincial institutions, and local communities, will be capacitated to co-manage PAs, and staff and community rangers will benefit from exposure to innovative conservation approaches. This is expected, in time, to improve the efficiency and optimize the impact of management, allowing budgetary appropriations to conservation to be used more effectively. The sustainability of livelihoods dependent on live resources

will be enhanced (an estimated 10,000-12,000 households are expected to benefit in this manner). This includes the direct use values of plant materials and living marine resources harvested for subsistence and artisanal use by local communities, and benefits afforded through the development of nature based tourism within the area. Moreover, the direct engagement of local communities in PA management activities will given them a greater stake in conservation initiatives.

Country Ownership: Country Eligibility and Country Drivenness

Country Eligibility and Drivenness

84. The project is eligible under GEF SP I: *catalyzing sustainability for protected area systems* and, in particular, the sub activity; *'to improve opportunities for sustainable use, benefit sharing and broad stakeholder participation among communities – indigenous groups and the private sector'*. The project will develop a representative mosaic of protected areas in the Wild Coast, connecting corridors and adjacent areas under suitable co-management structures involving the communities, conservation authorities, other government agencies and the private sector. This will improve the bio-geographic representation of the South African PA estate, addressing coverage gaps in an area of high global conservation significance, and in an area of high national priority. Furthermore, the project will develop, test and adapt new management arrangements for co-management in PAs. While national legislation encourages active multi-stakeholder participation in PA management, the tools and institutional apparatus for co-management are lacking. The systems to be developed under the project will be progressively replicated elsewhere in the South African Protected Area estate, particularly in PAs constituted on communal lands. By emphasizing community participation, developing sustainable use and benefit sharing schemes and attracting private sector investment, the project will make a significant contribution towards improving management effectiveness within PAs. Activities will provide for the necessary capacity building, at the systemic, institutional and individual levels, to assure sustainability.

85. The project addresses the work program for Protected Areas agreed at CBD-COP 7. The program has 4 components. The elements most relevant to project activities are as follows:

Element 1	▪ Integrate PAs into the broader land- and seascapes; ▪ Substantially improve site-based planning and management.
Element 2	▪ Promote equity and benefit-sharing; ▪ Enhance and secure the involvement of communities and relevant stakeholders.
Element 3	▪ Build capacity for the planning, establishment and management of PAs; ▪ Develop, apply and transfer appropriate technologies for PAs; ▪ Ensure financial sustainability of PAs and national and regional systems of PAs.
Element 4	▪ Develop and adopt minimum standards and best practices for national and regional PA systems; ▪ Evaluate and improve the effectiveness of PA management; ▪ Assess and monitor PA status and trends; and ▪ Ensure that scientific knowledge contributes to the establishment and effectiveness of PAs and PA systems

The project also complies with CBD-COP guidance concerning the management of coastal and marine ecosystems (decision I/2, annex I, part III, paragraph 4(k)/ Decision V/13, paragraph 2(d)/ Decision VI/17, paragraph 10(e) and Decision VII/20, paragraph 3.

86. The Government of South Africa has long demonstrated a commitment to biodiversity conservation. The country has ratified the Convention on Biological Diversity (CBD) on November 2, 1995 and is moving to address its obligations under the Convention within a larger framework for sustainable development that addresses the root causes of biodiversity loss, including by ameliorating poverty, promoting the development of livelihoods compatible with conservation objectives, and securing the participation of all sectors of society in implementation.

87. The South African Government has aligned its national law and policy framework with international

norms and agreements. 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) is in the process of developing the National Biodiversity Conservation Strategy and Action Plan (NBSAP) for South Africa with assistance from GEF/UNDP. The Wild Coast has been identified as a national conservation priority. It is also identified as a national priority in the Subsistence Fishing Policy. The Pondoland area, at the heart of the Wild Coast, is identified as a national priority in the Bioregional Approach/Strategy to South Africa's Protected Areas which forms part of DEAT's Environmental Management Plan (Government Gazette no 23232, vol 441, 2002).

88. The South African Government has clearly committed itself to the protection and sustainable development of the Wild Coast. Considerable resources have been invested in the area over many years. The Wild Coast Spatial Development Initiative was one of the earlier attempts by the post-apartheid government to address the development needs of the Wild Coast – which has been recognized as a special entity since 1994. Agriculture, forestry and tourism – with an emphasis upon eco-tourism – were identified as the preferred land use options. The government committed resources, in partnership with the European Union, to support the development of sustainable tourism for the benefit of previously disadvantaged local communities. In addition resources are being committed to the development of appropriate infrastructure to support the sustainable tourism initiatives on the Wild Coast. Recent developments, which include the prosecution of many of the illegal cottages that had been erected haphazardly on the coast, have clearly indicated that government is committed to sustainable and responsible protection and development of the Wild Coast.

89. Institutionally, the government has invested considerable effort and resources in the establishment of the Eastern Cape Implementation Committee for bioregional programs. This has created a focus point for biodiversity related issues in the whole of the Eastern Cape Province. The initiation of the new Eastern Cape Conservation Board also indicates the level of commitment to conservation within the Eastern Cape, and the Wild Coast is seen as a key area within the Province.

90. In addition, the South African Government has committed itself to addressing rural poverty. The Integrated Sustainable Rural Development Programme (ISRDP) outlines a clear agenda for this. The Poverty Relief Programme has been mobilized to assist in directly attacking poverty – through the provision of direct temporary and sustainable employment - as well as the creation of appropriate infrastructure related to income generating activities and enterprises. This is an on-going process that is gathering momentum. The government is particularly keen to see the development of initiatives that align conservation with poverty alleviation.

91. The Government of South Africa has created new environmental legislation that specifically allows for and encourages local community participation in the co-management of natural resources. They are keen to test the new legislation through practical initiatives on-the-ground. There is a commitment to decentralization within the country. Local government has been identified as the primary location for service delivery. Increasing local responsibility has meant that building of capacity within this level of government has become crucial and significant resources are earmarked for addressing this aspect. Local responsibilities are not only growing within the environment field, responsibility for HIV and AIDS related issues is also being devolved to local government.

92. The GEF Medium-Term Project Priority Framework (DEAT, 2001) identified strategic areas for GEF investment needed to catalyse a broad spectrum of environmental management endeavours of high national priority. The document which was presented to Cabinet as a discussion paper provides the overarching framework for programming GEF resources in South Africa. The Framework requests GEF support for the National Protected Areas Programme, to strengthen the national system of PAs, manage buffer zones, and ensure that management is fully integrated with and contributes towards local economic development. The following activities are identified as priorities: strengthening the framework for public participation in

planning and executing conservation functions, strengthening public outreach and education, improving planning, compliance and impact monitoring, strengthening enforcement capabilities, controlling the impacts of bio-invasion upon PAs, strengthening institutional capacities to manage PA buffer areas and promoting and managing nature-based tourism as a conservation compatible livelihood. The Wild Coast is identified as a demonstration site for the Program, on the assumption that best practices will be replicated more widely drawing on the Governments own resources.

Linkages with UNDP Country Programme

93. UNDP's Country Cooperation Framework (CCF) in South Africa (2002-2006) focuses on the three poorest provinces of the country, one of which is the Eastern Cape. The project has key linkages with two of the program areas: Integrated Sustainable Rural Development and Environment and Development. The Wild Coast project is clearly in line with the South African CCF result (g) "National capacity strengthened for co-management among national statutory authorities, NGOs and local communities, in the fields of climate change and biodiversity; important global biodiversity hotspots preserved, such as the Wild Coast and the Cape Floral Kingdom." In addition, the emphasis placed upon communally owned land and support for income-generating activities linked to nature-based tourism opportunities in these areas, is in line with the priority of addressing poverty in one of the poorest areas of South Africa.

94. The UNDP Poverty Alleviation program is planning on extending into the Wild Coast. The Eastern Cape has requested support from UNDP for the monitoring and implementation of the Poverty Relief Fund to make delivery more effective. With UNDP's assistance an ***integrated development framework*** the 'Provincial Growth and Development Plan: has been developed for the Eastern Cape Province in partnership with the Premier's office, Eastern Cape Socio-economic Consultative Council, the Eastern Cape Development Corporation and other partners. The Project's activities will fit within this framework and will be important to the development in the region. The UN system is currently developing plans for concentrating their resources with specific poverty nodes in an integrated approach covering poverty, HIV and AIDS, governance and environment in order to develop successful models for further roll-out within the poorest municipal areas of the country. The Wild Coast contains several of these very poor municipal areas and will clearly benefit from this initiative.

95. UNDP will commit to supporting the policy dialogue around the (i) successful integration of biodiversity conservation objectives and poverty alleviation objectives, strategies and programs in the poverty nodes; (ii) coordinating UN system interventions in these areas, to optimize synergies; and (iii) supporting efforts to implement the policy on co-management". The success of these initiatives will be evaluated during periodic independent assessments of the CCF. "

Linkages with GEF Financed Projects

96. GEF activities with potential influence on the proposed project: There are a number of other GEF projects operative in South Africa, contributing to efforts to expand and strengthen the National Protected Area System. These initiatives are all focused on conservation efforts elsewhere in South Africa, in other Major Habitat Types, and address different conservation needs. The Wild Coast project will coordinate with the World Bank GEF Project entitled "*Conservation planning for biodiversity in the Thicket Biome, South Africa*" which is being executed by the University of Port Elizabeth Terrestrial Ecology Research Unit. This project's field work is focused on the southern parts of the Thicket Biome, but it may have recommendations relevant to the thickets in the river valleys of the Wild Coast, which will be integrated into the conservation management plans developed by the ECPB and the Reserve Management Teams within the present project. The Project will further liaise closely with the Greater Addo Elephant National Park Project. While Addo National Park is located some 300 kilometers from the Wild Coast, and is not situated on communal lands (and thus employs different conservation strategies), it is located in the Eastern Cape, and potential synergies could be leveraged with respect to capacity development interventions. Mechanisms for cooperation are currently being formalized.

97. Other projects in South Africa may also be of relevance to this project. For example, the World Bank/

UNDP GEF project "CAPE Action for People and the Environment" is a strategic intervention to secure the long-term conservation of the Cape floristic region. The Agulhas Biodiversity Initiative on the Agulhas Plain in the Western Cape Province is piloting new conservation agreements and collaborative management arrangements between national and provincial conservation authorities and private landowners. This includes testing a conservation extension service, integrated with agriculture and other productive sector extension services, which may be adapted for application in the Wild Coast.

98. None of the afore-mentioned projects are geared specifically towards developing co-management arrangements on communal lands, as proposed under this project. The project thus provides significant added value in terms of the contribution of GEF to South Africa's national conservation agenda. Taken collectively, the GEF portfolio makes a significant and highly strategic contribution towards strengthening the National System of Protected Areas, both in terms of bio-geographic focus and coverage, but also in terms of the induction of new management paradigms, as needed to meet the conservation needs of different regions and ecosystems. The SANBI has been mandated under the biodiversity legislation with providing co-ordination services for these and other initiatives active at a bio-regional level. This provides a mechanism for assuring cross-project synergy, and sharing lessons between projects. However project-project contact will also be facilitated, where relevant. UNDP will continue to liaise closely with the WB in spearheading the GEF program, with the aim of assuring complementarity.

Sustainability

99. The project has been carefully designed to optimize prospects for achieving the sustainability of conservation outcomes at three levels: financial, institutional and social. An economic analysis[11] undertaken during the course of project preparation established that the prospective economic value of conservation, comprising direct and indirect use values for wild resources amounts to a minimum of US$ 80 m per annum. This is a significant contribution to household welfare (subsistence and income) in this economically depressed area, and provides a basis for earmarking funding for development programmes. To support conservation efforts[12] The project will provide resources for the development of new financial mechanisms to compensate for management costs incurred in generating these benefits. Takings from tourist entry fees and concessions and from market-based instruments will be earmarked for the management of PAs[13]. Funding derived in this manner will supplement recurrent operational budgetary outlays by the Government of South Africa. These measures are expected to contribute to the financial sustainability of outcomes.

100. Institutional sustainability will be enhanced through systematic strengthening of the skills base and operations capacity within the Eastern Cape Parks Board. Staff will be trained to perform a variety of conservation functions needed to broker and support co-management of protected areas. While focused on the eastern region, staff employed in other regions will participate in training schemes, ensuring that internal staff rotation does not erode the skills base. Furthermore, capacity building will also target local government and community structures, and the institutional apparatus for co-management will be put in place. This will include mechanisms for inter community cooperation. Notably, the project will focus on institutionalizing

[11] CSIR Environmentek, 2004.

[12] Consumptive direct use values of biodiversity in the Wild Coast were classified in terms of the following broad categories of resources: grasses and reeds, non timber forest products, including fuel wood, terrestrial fauna and marine and estuarine resources. Non consumptive use values were estimated for tourism (assuming a 40% average annual bed occupancy rate, and assuming that an average of 50% of total visitation is related to biodiversity). The value of ecosystem services, such as carbon sequestration was not estimated, owing to a dearth of data on these benefits for the area.

[13] The current operational budget for the existing PA estate is estimated at R10.1m/annum, of which over 80% is subsidized by state funding in the form of grant allocations. It is conservatively estimated that, with the inclusion of an additional 14,000ha into the PA estate, the recurrent operational costs would be in the region of R27m/annum. During the preparatory phase current income streams from (i) entry fees and accommodation (upward of R7m/annum), and (ii) grant allocations from the state, may be supplemented by additional funding raised through securitization of PA entry fees (at least R3.2m/5 years), environmental service fees from tour and accommodation operators (R6.9m/annum); concessionaire fees (upward of R1m/annum), conservation agreements (upward of R1m/annum) and legal cottage fees (upward of R2m/annum).

co-management processes and support structures, to ensure these continue following cessation of GEF funding. These processes will be further backstopped through poverty alleviation programs, into which conservation activities will be progressively mainstreamed. A system for monitoring institutional performance will be operationalized, allowing capacity-building activities to be fine-tuned as needed to improve and sustain impacts. The underlying policy and legislative framework for co-management is largely in place, providing a strong enabling environment for the pursuit of project objectives. Social sustainability will be enhanced through implementation of a robust stakeholder plan, which provides, *inter alia* for the careful determination of community structures for co-management, and mechanisms for conflict resolution. The policy framework for the transfer of management and usufruct rights to communities is in place, linking access and benefits to management obligations. This is expected to address problems with open access, and give communities a utilitarian stake in conservation outcomes. Communities will be expected to dedicate sweat equity in return for any support for eco-enterprise establishment, under baseline programs. Social sustainability will be enhanced through implementation of a robust stakeholder plan, which ensures broad-based stakeholder involvement in all aspects of PA management and makes strong provision for conflict management.

Replicability

101. The Project has been designed based on a detailed identification and analysis of barriers to effective management of the protected areas in the Wild Coast, and more broadly, to address management deficiencies and opportunities in the South Africa System of National Protected Areas. The Wild Coast provides an excellent laboratory for testing the achievements of conservation objectives on communal lands. A replication strategy will form an important component of the full project (see Annex 4). This will ensure lessons learnt and best practices are actively disseminated to inform conservation initiatives focusing on co-management models on communal lands throughout South Africa and wider Southern Africa region. It is estimated that some 30% of South Africa's communal lands (approximately 36,000sq kms) occur in areas designated as conservation targets, potentially suited to the application of the co-management systems piloted through the project. However, the spatial domain for replication will include other categories of conservation land, including public and private lands, where co-management approaches to conservation are demanded.

102. The analysis of lessons learnt on co-management models in Southern Africa has informed project design. The project will ensure that the lessons emerged during the project preparation and implementation are captured and shared with relevant stakeholders. The following measures are in place or will be instituted:

(i) Protected Area legislation – the new Protected Area Act provides the legal basis for the expansion of the management options and the implementation of co-management systems, which will be tested under the project. The various co managed non-traditional protected areas will serve as pilots, trialed and tested in the project, providing valuable models for replication in comparable situations throughout the region;

(ii) The Institutional Framework for protected area management in the Wild Coast will be strengthened as a result of the project, contributing significantly in improving management effectiveness in the Eastern Cape's protected areas and nationally related to brokering and implementing co-management systems;

(iii) The Knowledge Management System – will be one of the main outputs within outcome 1 and will enable the exchange of ideas and lessons learnt between the project and other initiatives in South Africa and in the region through the National Knowledge Management System housed in SANBI's Collaborative Learning Center. The representative of local government and traditional authorities will benefit from village to village exchange of co-management lessons. The project provides for guidance materials, seccondments, and study tours to ensure that the lessons learnt are shared and

replicated elsewhere.

(iv) The South African National Biodiversity Institute (SANBI) will provide two complementary mechanisms to facilitate information-sharing, project co-ordination, cross-project synergies, and capacity building between this project and other bioregional programs/projects and associated GEF projects in the Eastern Cape Province, South Africa and southern Africa. At the provincial level, SANBI have established the Eastern Cape Implementation Committee to facilitate and support the implementation of large-scale conservation projects and bioregional programs within the Eastern Cape Province. At a national level, SANBI have established the National Bioregional Forum as a structure to enable exchange of ideas and lessons learnt, share resources and facilitate cross-project synergies between coordinators and implementers of bioregional programs across South Africa.

(v) A Monitoring and Evaluation system – will be established by the project with the key function to facilitate adaptive measures to improve impact and accommodate lessons emerging elsewhere. This includes the identification of mechanisms and processes which are working and therefore are ready to be replicated and the modification of what is not working in order to achieve the project objectives. In addition, the independent evaluation scheduled during project life (year 2 and 4) will be tasked with the identification of determinants of success for project activities.

PART III. MANAGEMENT ARRANGEMENTS

103. The project would be executed by the Eastern Cape Parks Board, following UNDP guidelines for nationally executed projects. The Executing agency will sign the grant agreement with UNDP and will be accountable to UNDP for the disbursement of funds and the achievement of the project goals, according to the approved work plan. In particular, the Executing Agency will be responsible for the following functions: (i) coordinating activities to ensure the delivery of agreed outcomes; (ii) certifying expenditures in line with approved budgets and work-plans; (iii) facilitating, monitoring and reporting on the procurement of inputs and delivery of outputs; (iv) coordinating interventions financed by GEF/ UNDP with other parallel interventions; (v) approval of Terms of Reference for consultants and tender documents for sub-contracted inputs; and (vi) reporting to UNDP on project delivery and impact.

104. The project has been designed as an integral part of the larger, programmatic, **Wild Coast Conservation and Sustainable Development Program**. This programmatic approach has been successfully piloted in the CAPE Project and is now being adopted for the Wild Coast as an appropriate form of strategic intervention for the region. A regional land use plan (the Wild Coast Spatial Development Plan) and a detailed regional Biodiversity Action Plan (the Wild Coast Biodiversity Action Plan) provides the strategic framework for the operational co-ordination of related activities and projects across the Wild Coast. The land use plan and regional action plan are, in turn, integrated into the Provincial Growth and Development Plan (PGDP) and the municipal Integrated Development Plans (IDP's), as a priority sectoral program, to ensure that they become an essential part of, and contribute effectively to, the sustainable development agenda of the region

105. The Wild Coast Conservation and Sustainable Development Program will comprise the following management, oversight and co-ordination structures:

(i) Wild Coast: Inter-Governmental Co-ordination Committee;
(ii) Program Steering Committee;
(iii) Wild Coast Development Program Management Unit;
(iv) Project Implementation Units (protected areas, tourism and marketing, business development);

These structures are constituted to ensure strong collaboration, and avoid duplication of effort, among sustainable resource use and conservation initiatives in the region.

106. The Eastern Cape Parks Board (ECPB), as a provincial public entity, will be responsible for the implementation of the protected areas component of the Wild Coast Conservation and Sustainable Development Program. A critical sub-set of this protected area component is the establishment and support of co-management arrangements in the protected area network. The project will establish and support the Wild Coast Co-management Assistance Support Unit (protected areas) within the ECPB. The CASU unit will then be responsible for the co-ordination and implementation of the GEF project activities and will report on activities and progress through the program co-ordination structures (briefly described below).

107. The Intergovernmental Coordination Committee (ICC) will be composed of the National Ministers (or their delegates) of Environmental Affairs and Tourism (DEAT), Land Affairs (DLA), Trade and Industry (DTI), Transport (DoT), Agriculture, Water Affairs and Forestry (DWAF) and Public Works (PWD), the Provincial MEC for Environmental Affairs and the Executive Mayors of OR Tambo and Amatole District Municipalities. The ICC will be responsible for reviewing overall progress of the Wild Coast Program and provide the political support to overcome barriers to implementation. The political focal point, and co-chair, for the ICC will comprise the National Minister of Environmental Affairs and Tourism and the Provincial MEC for Environmental Affairs. The ICC will meet at least on an annual basis to review reports from the PSC and the PMU. The ICC is currently in the process of being constituted.

108. The Program Steering Committee will be composed of public institutions and traditional authorities currently active in the Wild Coast. These include: DEAT (national), DEAET (provincial), Eastern Cape Tourism Board, Eastern Cape Development Corporation, Eastern Cape Parks Board, DWAF, representatives of the two District and seven local Municipalities, DLA, National Department of Agriculture, South African National Biodiversity Institute, the Department of Local Government and Housing and representatives of the regional traditional authorities. The PSC will meet at least quarterly and it will be convened and supported logistically by the PMU. The PSC will be jointly chaired by the DEAET (provincial) and DEAT (national). Specifically the PSC will be responsible for: achieving co-ordination among the various Government agencies; guiding the program implementation process to ensure alignment with national, provincial and local statutory planning processes and sustainable resource use and conservation policies, plans and conservation strategies; ensuring that activities are fully integrated between the other developmental initiatives in the region; overseeing the work being carried out by the implementation units, monitoring progress and approving reports; overseeing the financial management and production of financial reports; receiving regular report-backs to the representing Departments/Institutions. The Committee may also create non executive sub committees comprised entirely of local stakeholder representatives to consider technical issues; such sub-committees will not however have policy or financial oversight responsibilities. All members of the PSC will be required to carry a formal mandate of the organizations or sector that they represent.

109. The Program Management Unit (PMU) will provide the secretariat, coordination and program management functions to the broader Wild Coast Program, of which the protected areas function (supported through this project) forms an integral part. The staffing of the PMU will include a Program Manager, a Stakeholder Liaison Manager, a Tourism and Marketing Manager, a Conservation Planning Manager and a Business Development Manager. The Program Manager will report to the Director General (Biodiversity) in DEAT and present progress reports to the PSC and ICC. The protected areas component of the Wild Coast Program will be implemented by the Eastern Cape Parks Board. The CASU will ensure the coordination of the activities of the protected areas component with the other components of the Wild Coast Program.

110. The Co-management Assistance Support Unit (protected areas) (CASU) will oversee and support implementation of all project activities as well as the contracting and management of specialist service providers. The CASU, as an implementation unit within the Eastern Cape Parks Board, will report directly to the Chief Operating Officer of the ECPB Project Manager through the Project Manager. Specialist services from the current Eastern Cape Parks Board eastern region such as scientific services, mentoring and evaluation, community liaison, technical services and conservation planning will be utilized during project preparation. It will be responsible for the following defined tasks:

(i) preparing quarterly and annual progress reports;
(ii) preparing annual work plans;
(iii) preparing terms of reference and tender documentation for good and services outsourced to external vendors;
(iv) coordinating project activities, and taking steps to identify and resolve implementation bottlenecks;
(v) preparing and disseminating project reports and other information materials;
(vi) maintaining accounting books and records required for sound financial record-keeping and internal control in line with generally accepted accounting principles;
(vii) submitting timely progress reports to the Executing Agency.

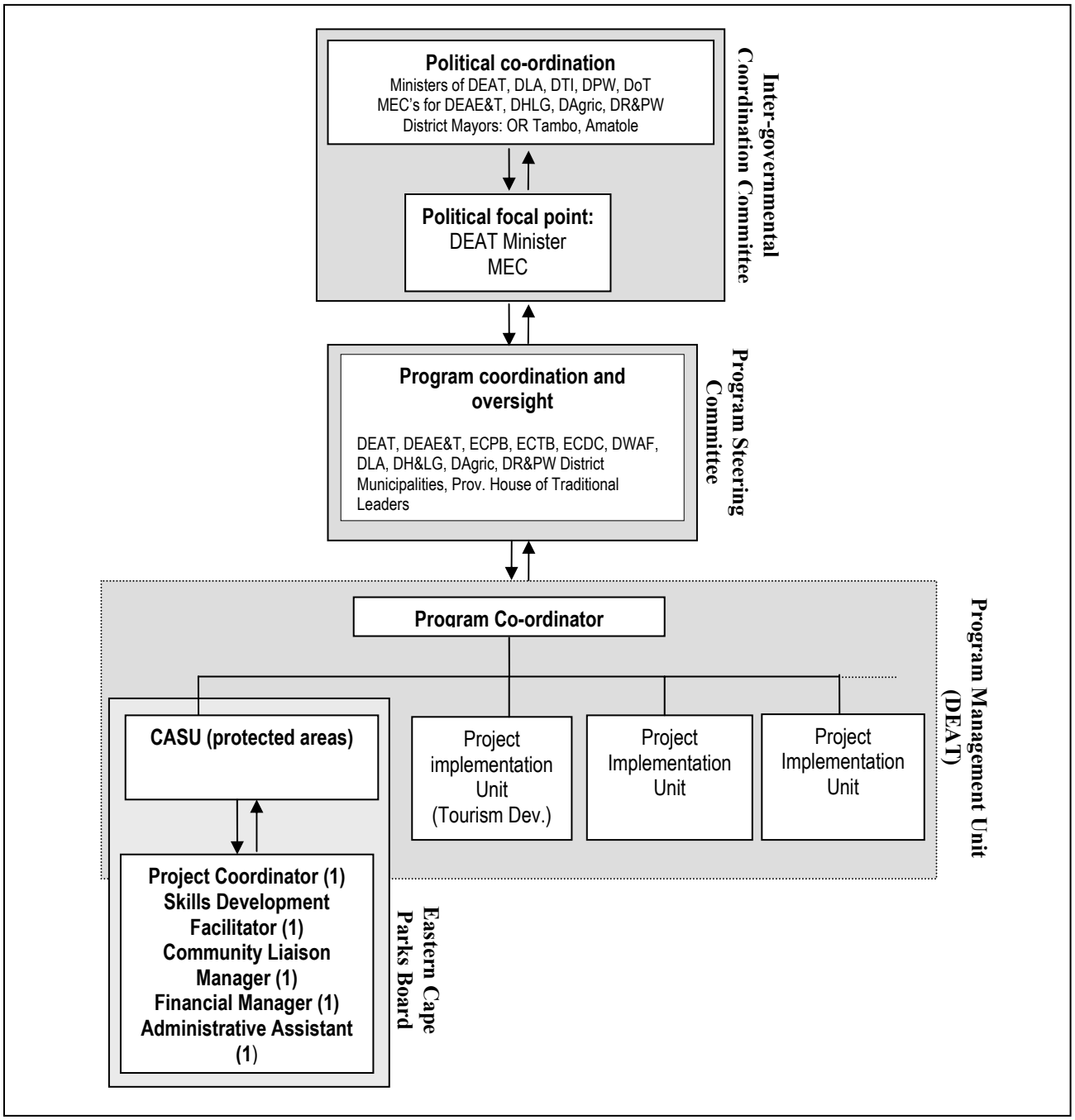
111. As the GEF implementing agency for this project, UNDP will monitor all activities and outputs. UNDP will ensure that the activities are being conducted in co-ordination with the government and other stakeholders. UNDP will be ultimately accountable to GEF for project delivery and responsible for supervising project implementation. UNDP will provide technical backstopping services and monitor adherence to the work plan. The project will comply with UNDP's monitoring, evaluation and reporting requirements, as spelled out in the UNDP Programming Manual. Quarterly progress reports will be submitted to UNDP by the executing agency, providing a brief summary of the status of activities and output delivery, explaining variances from the work plan, and presenting work-plans for each successive quarter for review and endorsement. The Quarterly progress reports will provide a basis for managing disbursements. An Annual Project Report (APR) will be prepared at the end of each year, summarizing and evaluating work in progress in more detail, and will be reviewed by the Project Steering Committee, which shall make recommendations to the executing agency and UNDP regarding the subsequent scheduling of project activities. A Terminal Report will be prepared upon project completion and reviewed at the final PSC meeting for the project. Annex 5 on Monitoring and Evaluation outlines the reporting requirements further.

112. UNDP acts in this Project as Implementing Agency of the Global Environment Facility (GEF), and all rights and privileges pertaining to UNDP as per the terms of the Standard Basic Agreement (SBA) shall be extended *mutatis mutandis* to GEF. The UNDP Resident Representative in South Africa is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes.

- Revision of, or addition to, any of the annexes to the Project Document;
- Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- Inclusion of additional annexes and attachments only as set out here in this Project Document.

113. The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

114. In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF. The UNDP logo should be more prominent - and separated a bit from the GEF logo if possible as, with non-UN logos, there can be security issues for staff.



PART IV. MONITORING AND EVALUATION PLAN AND BUDGET

115. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the Project Implementation and the UNDP Country Office in Pretoria (UNDP-CO) with support from UNDP/GEF. The Logical Framework Matrix in Section II of the Project Document provides impact indicators for project implementation along with their corresponding means of verification. Annex 5 provides: (i) a detailed explanation of the monitoring and reporting system for the project; (ii) a presentation of the evaluation system; (iii) a matrix presenting the work plan and the budget for M&E section; (iv) the Result Measurement Table; and (v) METT tables.

116. Briefly, The CASU will ensure the regular monitoring and feedback of activities under implementation to the Program Steering Committee. The Project Coordinator will be responsible for the preparation of reports on a regular basis. The following reports will be prepared by the CASU and submitted to PSC and UNDP Country Office: (i) Inception Report; (ii) Annual Project Report; (iii) Project Implementation Review; (iv) Quarterly Progress Reports; and (v) Project Terminal Report. The Quarterly progress reports will provide a basis for managing disbursements. These reports will include brief summary of the status of activities and output delivery, explaining variances from the work plan, and presenting work-plans for each successive quarter for review and endorsement.

117. The project will be subjected to at least two independent external evaluations:

(i) Mid-term Evaluation - will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed;
(ii) Final Evaluation - will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals.

118. The Management Effectiveness Tracking Tool (METT) developed jointly by the WWF and the World Bank, was used in the preparation stage to establish baseline values for targeted provincial nature reserves, marine protected areas, state forests and Coastal Conservation Area. The METT will be conducted mid term and at the end of the project for the life of the project and compared with the stated indicators for mid term and end of the project. The project will also support the collection and processing of data for M&E and annual stakeholder meetings to share the information obtained from monitoring

119. The total cost of the project is estimated to be US$ 30,830,900, with GEF co-funding to be US$ 6,512,900 (excluding preparatory assistance). Co-financing has been secured from the Government of South Africa - at the national (DEAT, MCM, DWAF, DA), provincial (Province, DEAET, ECPB, ECTB), local (district and local municipalities) and private sector – and DBSA. The Full GEF Project would run for 6 years. Substantial funding for the sustainable development component of the overall Wild Coast programme is already committed.

Project Outcomes and outputs	Amount (US$)		Total (US$)
	GEF	Total co-financing	
Outcome 1: Institutional framework and capacity to facilitate co-management systems for PAs is in place.			
1.1. Strengthen ECPB to broker co-management agreements	1,580,200	210,000 (ECPB)	1,790,200
1.2. Strengthen ECPB to implement co-management agreements	44,000	330,000 (ECPB)	374,000
1.3. Improve capacity of key institutions	18,000	100,000 (ECPB) 30,000 (Munic.)	148,000
1.4. Knowledge management system	192,000	15,000 (ECPB)	207,000
1.5. Regulations for PA	46,000	20,000 (ECPB)	66,000
1.6. Financial mechanisms for PAs	36,000	50,000 (ECPB)	86,000
1.7. Sustainable resource use policy	36,000	8,000 (ECPB)	44,000
1.8. Public awareness	200,000	60,000 (ECPB)	260,000
1.9. Monitoring and Evaluation	290,000	80,000 (ECPB)	370,000
Total outcome 1	**2,442,200**	**903,000**	**3,345,200**
Outcome 2: Management effectiveness is enhanced within a rationalized and more representative system of protected areas (Type 1 PAs), operating under co-management agreements with local communities and the private sector.			
2.1. Increase capacity of local communities	917,000	20,000 (ECPB)	937,000

2.2. Adaptive management	206,000	750,000 (MCM) 100,000 (Province)	1,056,000
2.3. Active management	307,000	100,000 (ECPB)	407,000
2.4. Priority PA extended	66,000	1,500,000 (ECPB)	1,566,000
Total Outcome 2	**1,496,000**	**2,470,000**	**3,966,000**
Outcome 3: A functioning network of managed resource use protected areas (Type 2 PAs – IUCN category VI) is in place, and is being effectively managed in active collaboration with local communities.			
3.1. Rationalize authority	124,000	50,000 (ECPB)	174,000
3.2. Increase capacity of local communities	46,000	20,000 (ECPB)	66,000
3.3. Cooperative governance structure	80,000	25,000 (ECPB) 330,000 (DEAT)	435,000
3.4. Adaptive management	118,000	10,000(ECPB)	128,000
3.5. Active management interventions	1,790,800	5,000,000 (DEAT) 5,000,000 (DWAF)	11,790,800
3.6. Micro-enterprises	368,000	10,000,000 (DBSA)	10,368,000
3.7. Consolidating Pas	35,000	10,000(ECPB) 500,000 (DEAT)	545,000
Total outcome 3	**2,561,800**	**20,945,000**	**23,506,800**
Total full project	**6,500,000**	**24,318,000**	**30,818,000**
Project Preparation	GEF US$ 339,410 DEAET: US$ 276,500		
GRAND TOTAL (FULL PROJECT + PREPARATION	**6,839,410**	**24,594,500**	**31,433,910**

120. Cost effectiveness: The mean operational cost/hectare of PA management in South Africa is estimated at US$ 16, while the anticipated mean for the Wild Coast, using co-management is less than US$ 10 once the institutional arrangements and capacities have been installed. The cost of traditional PA management approaches, founded on command and control systems, is expected to be 50 – 60% higher than the mean in the Wild Coast. The cost of project investments per hectare conserved is US$ 14, which is modest in light of the derivative global and national benefits, and replication potential. Co-management systems are expected to be more cost effective in the long-term in comparison to command and control systems of management (once the high one-time costs of institution building, investments and learning have been met) because they share the burden of responsibility for PA management with local communities. The cost-effectiveness of the project is further enhanced through the systematic integration of conservation management into the regional development-planning framework, sector strategies and poverty alleviation interventions. This will ensure the simultaneous attainment of conservation objectives in the pursuit of economic development.

SECTION II: STRATEGIC RESULTS FRAMEWORK AND GEF INCREMENT

PART I. Incremental Cost Analysis

National Development Objectives:

1.1 The paramount development concerns of the Government of South Africa are economic development (employment creation and poverty alleviation), and the improvement in social services, such as health and education. A public investment program is being spearheaded to develop economic infrastructure, strengthen social services, and create the enabling conditions necessary to generate employment. At the same time, the country is strongly committed to the objective of biodiversity conservation. While a range of conservation strategies are in place, PAs remain a cornerstone of efforts to fulfill this purpose. The challenge remains of establishing a bio-geographically representative PA estate in a landscape characterized by high species richness, and high turnover of biodiversity. Traditionally PAs have been established on state land; increasingly, they are being established on private lands. However, a replicable paradigm for PA management suited to communal lands has still to be developed. A number of communal lands host high biodiversity values, and the Government recognizes that it needs tailor made strategies and management approaches to create PAs in these areas, that are suited to the social, economic and institutional context. There is a particular need to nest PA management in regional development strategies and into local economies, and to establish effective collaborative management systems involving PA authorities, local government and local communities.

1.2 This imperative is especially acute in the old "homeland areas" such as along the Wild Coast of the Eastern Cape Province. The Province has developed a Provincial Growth and Development Plan (PGDP) that provides the framework for guiding poverty relief in the area. A decentralization strategy is being pursued, devolving service delivery to local government based on principles of subsidiarity, and the Plan is given substance through framework policies and legislation. In the long-term this approach is expected to improve the development status of the Wild Coast. However, financial and technical assistance is being requested from the international donor community to help underwrite the one-time costs associated with building a representative PA estate in the area, and establishing the institutional framework, learning and building the social capital for collaborative PA administration, as needed to enhance management effectiveness. The intention is to replicate good practices in other communal areas -- targeted at sites where PA coverage and effectiveness is inadequate.

2. Global Environmental Objectives:

2.1 The Wild Coast lies within the Eastern part of the Eastern Cape Province, extending from the Kei River mouth in the South to the boundary with KwaZulu Natal Province to the North-East. The terrestrial areas of the Wild Coast lie within a recognized biodiversity hotspot—the Maputaland-Pondoland-Albany hotspot, while the estuarine and marine environments also have high biodiversity values, the latter forming part of an important transition zone between the warm waters of the Western Indian Ocean, and the cooler warm-temperate waters along the South Coast. Both the terrestrial and marine environments face a number of anthropogenic pressures, which if left unchecked will likely culminate in the forfeiture of key conservation values including direct use, indirect use and existence values. The Global Environmental Objectives are to create a representative and effectively managed PA estate in this area, so as to strengthen the National PA System, as well as to establish the know-how and systems for sharing PA management responsibilities with communities.

3. Baseline Scenario:

3.1 The principal threats to the biodiversity of the Wild Coast stem from the over-harvesting of marine and estuarine resources, and on land, non timber forest resources, and habitat degradation from over grazing and colonization by invasive alien plant species. A multi-pronged strategy is needed to successfully attenuate these threats, including: attention to poverty alleviation, definition of property and usufruct rights, and improvement of governance systems, in addition to measures to strengthen the systemic and

institutional capacity for biodiversity conservation, and in particular PA management to safeguard the most vital repositories of biodiversity. The baseline situation, defined as activities that can be justified independently of global benefits[14], is described for three activity bundles, allowing for cross referencing against Project Outcomes. These are: (i) Institutional framework for development and environmental management; (ii) investments in Type 1 PAs; and (3) investments in local economic development and environmental management, in larger production landscapes suited for the establishment and maintenance of Type 2 PAs.

(i) Strengthening Policies and Institutions:

The Province will spend US$ 2.1 million on institutional restructuring in DEAET including the redeployment of staff. The Eastern Cape Parks Board has been established, and Government will focus its efforts on institution building. Simultaneously a Provincial law reform process is underway, consolidating different pieces of environmental legislation and reducing policy fragmentation. Land Affairs through the Commission on Restitution of Land Rights will invest US$ 23.8 million in brokering land tenure reform, by providing grant funding and facilitating leasing arrangements, including the administration of any circumscriptions on the use of land. DEAT is developing norms and standards under the PAs Act and Biodiversity Bill, governing management planning, invasive alien species, monitoring and reporting, amongst others. There is an unmet need to establish norms and standards, and accompanying regulations for co-management, based on tested on-the-ground applications of co-management systems. The DWAF will invest US$ 8.6 million in the delegation of management authorities for forest resources to Provincial and local institutions (DEA&T, local communities or local municipalities, depending on proposed use). Interventions will include establishing participatory forest management fora, to manage resource use agreements governing forest lots between DWAF and local communities. The capacity in Provincial and local government structures to assume shared management responsibilities will remain weak, as will the capacity to develop collaborative management arrangements. Further there will be an unmet need to rationalize decision-making and management authorities between Provincial and local agencies. Although information systems will be needed to ensure sound co-management, there are no plans to establish them.

(ii) Protected Area Management:

The Eastern Cape Parks Board would cover staffing, and routine operations expenses in five terrestrial PAs, with a planned investment of US$ 15.2 million. MCM will invest US$ 1.3 million in strengthening enforcement and compliance monitoring for the coast. The Board will be responsible for letting tourism concessions to private operators (2 concessions are planned in Mkambati and Silaka PAs). The private sector would invest US$ 15.8 million in the development of tourism infrastructure, including roading and interpretation facilities. The State has transferred land ownership for two PAs to communities (Mkambati and Dwesa-Cwebe) and the possible transfer of a third, (Hluleka) is being assessed by the Land Claims Commission: with the circumscription that land remains under PA status. Any benefits accruing from land (including from the private tourism concession in Mkambati) will be shared between Government and the community (for example through equity participation or employment). A total of US$ 2.2 million will be spent on promoting tourism to the Wild Coast PAs by the Province.

Despite the afore-mentioned investments, a number of gaps would remain in the arena of PA management. Limited resources would be allocated directly to the management of MPAs, with fishery enforcement activities spread diffusely along the coastline, without concentration in the MPAs. Overlapping jurisdictions

[14] For this project, the baseline situation included: (i) financing committed by government agencies to activities that complement biodiversity conservation objectives and targets in the region and the effective management of protected areas, but whose investment rationale is primarily founded on addressing poverty alleviation, boosting local economic development and strengthening the general institutional capacity of government institutions in the Wild Coast; (ii) financing committed by government agencies to the provision of environmental and biodiversity conservation services in the region, but are not specifically directed at, or support, protected area management *per se*; and (iii) financing committed by government agencies to supporting the development and maintenance of income generating opportunities for protected areas.

for the management of MPAs (between MCM and the Province), currently in play, would likely continue. There is an unmet need to rationalize management of MPAs, founded on sound business plans and underpinned by capacity building. As far as the terrestrial PAs are concerned, staff capacity to perform routine PA functions is very poor; there are currently no management plans for terrestrial PAs, and an asymmetry in capacity between the reserves is in evidence. Management efficiency could be bolstered through pooling staff and other resources under a PA cluster management approach, and using a management effectiveness rubric as a basis for assigning financial and human resources.

(iii) Local Economic Development and Environmental Management:

Sustainable Livelihoods: A significant investment in development of the tourism sector is planned, with a focus on community driven and managed tourism enterprises, or joint equity ventures with private investors. The following investments are planned: the European Union will invest US$ 3.6 million in the community tourism program, mainly for capital works and planning[15]; the Eastern Cape Tourism Board will make a significant investment in tourism development and promotion together with the municipalities, complementing local government funds US$ 5.8 million. Government programs will make a significant investment in enhancing food security and land care: including through improvement of subsistence farming systems (extension services/ inputs). This work is funded by the Department of Agriculture and local Governments (to the amount of US $1.5 million) and has conservation spin-offs, by accelerating farming systems intensification and reducing shifting agriculture by smallholders.

Environmental Management: DEAET will invest US$ 1.5 million on monitoring the Coastal Conservation area including the demolition of illegal cottages, and controls over illegal harvests of living marine resources. DEAET's investment US$ 1.4 million, providing Integrated Environmental Management support throughout the Wild Coast on education and awareness, Environmental Impact Assessments, Co-operative governance/institutional support and Waste Management. The DBSA will invest US$ 5 million in Strategic Environmental Assessment for the Wild Coast, to define ecologically sustainable land use options and support the development of land used planning system. This will be matched by an investment from Local Government (2 district municipalities and 7 local municipalities) in land use planning (incorporating the spatial development framework, to detailed land use plans) estimated at US$ 1.4 million. A sum of US$ 4 million would be appropriated for institutional strengthening within local Government bodies, aimed at enhancing administrative functioning and their Local Economic Development and environment cluster. This would include several environmental management activities such as waste management, pollution control, environmental management planning/ system development, coastal zone management, recycling and rehabilitation of landscapes.

The national government is investing in job creation through a labor intensive infrastructure development program- Expanded Public Works Programme. As such, DEAT would appropriate funds US$ 35 million for coastal clean up, under the Coast Care Programme (including for waste management, and clearance of alien species), sustainable livelihood programs such as mussel bed rehabilitation and mariculture development, and training of river guides and other associated activities. DWAF's Working for Water would invest in labor intensive manual controls of invasive alien species (eucalypts, wattles), while the associated Working on Fire program is expected to contribute to fire management, through a pilot intervention that will be upscaled. The aggregate cost of these activities is estimated at US$ 6.5 million.

The baseline is expected to see the progressive upliftment in the social and economic status of the Wild Coast. However, without specific countervailing interventions, it is also likely to see an acceleration of pressures on biodiversity in Type II PAs. In particular, the indigenous forest areas, identified as high conservation priorities, and the one kilometer width strip of land running along the coast will need special attention. Management of these areas will need to be consolidated and rationalized. A dispensation for allowing sustainable use of coastal, marine and forest resources in these areas will need to be developed and administered. Currently, a number of barriers to effecting sustainable use of these resources exist. These may be characterized as: (i). scientific know-how: limited understanding of recruitment dynamics, definition

[15] This builds on investments over the period 2000-2004, which are excluded from the baseline analysis, as they falls outside of the systems boundary.

of sustainable off-take rates and harvest methods; (ii) absence of collaborative management systems, defining roles and responsibilities of Government and communities for planning, executing and monitoring management of resource utilization. (iii) definition of usufruct rights within communities over these resources.

4. GEF Alternative:

4.1 The proposed GEF alternative[16] includes a series of strategic interventions designed to contribute towards the improvement of South Africa's Protected Area System. The GEF alternative will assist the executing agencies to: (i) expand PA coverage, and improve management effectiveness in PAs along South African Wild Coast, so contributing to improved bio-geographic representation in the national system; and (ii) augment the management tool box, by establishing a paradigm for co-management of protected areas, that may be replicated in protected areas established on or adjacent to communal lands. These protected areas will be managed under a range of co-management agreements between provincial and national authorities, local communities and the private sector, as suited to the needs in different sites. The project will further provide a model for integrating PA management and poverty alleviation programs operative on communal lands, and applicable to the poorest regions of the country. While South Africa's Protected Area System is relatively strong, these contributions will address critical coverage and management gaps that will further improve its status—contributing towards the maturation of the System.

4.3 The project goal will be achieved through the following three complementary outcomes:

Outcome 1: Institutional framework and capacity to facilitate co-management systems for PAs is in place.

Total Cost: US$ 3,345,200; Co-Financing: US$ 903,000; GEF Request: US$ 2,442,200

121. To achieve this outcome, the project will include the following activities: strengthening capacity of the Eastern region of the ECPB to broker co-management agreements [GEF: US$ 1,580,200; ECPB: US$ 210,000]; improving capacity of the ECPB to implement co-management agreements: [GEF: US$ 44,000; ECPB: US$ 330,000]; improving the capacity for co-management of strategic key institutions (municipalities, Land Affairs etc): [GEF: US$ 18,000; ECPB: US$100,000; Municipalities: US$30,000]; knowledge management system for establishment and implementation of co-management is developed: [GEF: US$ 192,000; ECPB: US$ 15,000]; regulations guiding the co-management of protected areas are produced and adopted by relevant institutions: [GEF: US$ 46,000; ECPB: US$ 20,000]; financial mechanism for protected areas: [GEF: US$ 36,000; ECPB: US$ 50,000]; sustainable resource use policy: [GEF: US$ 36,000; ECPB: US$ 8,000]; public awareness program [GEF: US$ 200,000; ECPB: US$ 60,000]; and monitoring and evaluation: [GEF: US$ 290,000; ECPB: US$ 80,000].

Outcome 2: Management effectiveness is enhanced within a rationalized and more representative system of protected areas (Type 1 PAs), operating under co-management agreements with local communities and the private sector

Total Cost: US$ 3,966,000; Co-Financing: US$ 2,470,000; GEF Request: US$ 1,496,000

122. The activities under this outcome will focus on the existent provincial nature reserves and marine protected areas (both IUCN Category IV). GEF alternative will include: Increased capacity of local community structures to negotiate and implement co-management agreements: [GEF: US$ 917,000; ECPB: US$ 20,000]; Adaptive management planning systems for each strict protected area is established [GEF: US$ 206,000; MCM: US$ 750,000; Eastern Cape Province: US $100,000]; active management

[16] For this project, the co-financing commitments included: (i) financing committed by government to the recurrent and capital operational expenditure required to sustain GEF project investments in protected areas; and (ii) financing of projects or initiatives that have been accelerated, and prioritized, as a consequence of the GEF project intervention and are directed at enhancing the conservation and management of the protected areas.

interventions: [GEF: US$ 307,000; ECPB: US$ 100,000]; and prioritized protected areas expanded in adjacent communal land through co-management agreements: [GEF: US$ 66,000; ECPB: US$ 1.5 million].

Outcome 3: A functioning network of managed resource protected areas (Type 2 PAs) is in place and is being effectively managed in active collaboration with local communities

Total cost: US$ 23,506,800; Co-financing: US$ 20,945,000; GEF Request: US$ 2,561,800

123. The activities under this outcome will focus on the new multiple-use protected areas under IUCN Category VI. GEF funds will cover the incremental costs associated with: rationalize the delegated management authority: [GEF: US$ 124,000; ECPB: US$ 50,000]; local community structures have an increased capacity to negotiate and implement co-management agreements [GEF: US$ 46,000; ECPB: US$ 20,000]; Cooperative governance structure for the Coastal Conservation Area is established [GEF: US$ 80,000; ECPB: US$ 25,000; DEAT: US$ 330,000]; adaptive management planning systems for each managed resource use protected area is established: [GEF: US$ 118,000; ECPB: US$ 10,000]; active management interventions: [GEF: US$ 1,790,800 ; DEAT: US$ 5 million; DWAF: US$ 5 million]; Micro-enterprises based on sustainable use of resources are facilitated [GEF: US$ 368,000; DBSA: US$ 10 million]; and protected areas are consolidated into viable management units through co-management agreements [GEF: US$ 35,000; ECPB: US$ 10,000; DEAET: US$ 500,000].

5. Incremental Costs and Benefits:

5.1 The Systems Boundary for the Incremental Cost Analysis is defined spatially by the project site, spanning an area of 4000 sq. kms., along the Wild Coast[17]. The time horizon is defined by the life of the project (6 years). The baseline, comprising activities that can be justified primarily in the national interest has been estimated at US$ 134,700,000 million. The Alternative has been costed at US$ 30,818,000. The GEF would fund incremental costs, amounting to US$ 6.5 million, exclusive of preparatory assistance. These interventions will yield benefits that are diffuse and accrue over the long term, associated with expanding the PA estate and improving management effectiveness. These investments would accordingly, not be undertaken in the short to medium term, if justified solely on the immediate domestic benefits. GEF funding amounts to a modest 4.7% of the Alternative.

Incremental Cost Matrix

Component	Cost Category	Cost (US$ mln)	Domestic Benefit	Global Benefit
Component 1: Institutional Strengthening	Baseline	ECP: 2.1 DWAF: 8.6 DLA: 23.8 Total= 34.5	Improved capacity to plan, execute, coordinate, monitor and adapt Government interventions, to address local development concerns.	Improved governance framework for the pursuit of BD conservation, anchored by more efficient and locally responsive institutions.
	GEF Alternative	Total= 3.345		
	Increment	GEF: 2.442 ECPB: 0.873 Municip: 0.030 Total cof.: 0.903	New norms and standards established for co-management thus improving the application of Government Policy (viz. democratic governance).	The social sustainability of PAs in South Africa is improved through development of a tested and replicable model for PA co-management.
Component 2: Protected Areas	Baseline	ECPB: 2.2 Province: 2.2 Pvt Sector: 15.8 MCM: 1.3 Total = 34.5	Increased private sector investment in PAs improves cost recovery and job creation potential. However, the capacity to support collaborative management partnerships with communities and private investors is weak.	Basic PA architecture in place, but management effectiveness is sub optimal, particularly in MPAs.
	GEF Alternative	Total = 3.966		
	Increment	GEF: 1.496 ECPB: 1.62	Improved capacity of PA system to simultaneously address BD	Management effectiveness in existing Protected Areas is enhanced,

[17] While it is intended that the conservation approaches piloted under the project will be replicated elsewhere in South Africa, baseline investments in these areas are excluded from the analysis.

Component	Cost Category	Cost (US$ mln)	Domestic Benefit	Global Benefit
		MCM: 0.75 Province: 0.100 Total cof. = 2.47	conservation and tourism development objectives.	improving the sustainability of the PA system and cost-effectiveness of PA interventions.
Component 3: Mainstreaming Protected Areas	Baseline	ECTB: 5.8 DEAET: 2.9 DA: 1.5 DWAF: 6.5 DEAT: 35 EU: 3.6 Local Govt: 5.4 DBSA: 5 Total = 67	Significant improvement in social and economic conditions in the Wild Coast	Existing PA system is not fully representative of the biodiversity of the wild coast
	GEF Alternative	Total= 65.7		
	Increment	GEF: 2.561 ECPB: 0.115 DEAET: 0.5 DEAT: 5.330 DWAF: 5.0 DBSA: 10.0 Total cof: 20.945	Government Conservation Targets are addressed, while allowing for sustainable wild resource harvests as a viable land use and livelihood;	Expansion of the PA estate to include key hotspots, otherwise in danger of degradation; removal of barriers for wild resource use, allows a paradigm shift from unsustainable to sustainable use of biodiversity.
Total	Baseline	**US$ 134.700**		
	GEF Alternative	**US$ 30.818**		

Incremental Cost	GEF	Non-GEF	Total
Full Project	6,500,000	24,318,000	30,818,000
Preparation	339,410	276,500	615,910
Grand Total	**6,839,410**	**24,594,500**	**31,433,910**

PART II: Logical Framework Analysis

Project Strategy	Objectively verifiable indicators				
Goal:	A representative system of protected areas in priority bioregions is established, effectively managed and contributes to sustainable development.				
Project Purpose	**Indicator**	**Baseline**	**Target**	**Sources of verification**	**Risks and Assumptions**
Objective: An effective network of protected areas is established on the Wild Coast and provides tested co-management models for replication	1. Increase of protected area coverage through strategic additions to the conservation estate: • Increase in the extent (ha) of provincial protected areas • Increase in the extent (ha) of terrestrial managed resource use protected areas By year 3, the provincial protected areas (or equivalent) will increase to 26,000ha while managed resource use protected areas will increase to 56,000ha. By EOP, the terrestrial conservation estate will be increased to 95,000ha. 2. Percentage of the priority vegetation types included into the protected area estate as a proportion of the national conservation targets for protected areas: • Subtropical Estuarine Salt Marshes • Transkei Coastal Belt • Pondoland-Natal Sandstone Coastal Sourveld • Scarp Forest • Mangrove Forest By EOP, the priority vegetation types contribute at least 10% of the national conservation targets for protected areas. 3. Compatibility of economic returns (Rands/ha/annum) from the inclusion of communal land into the protected area estate. By EOP, communal land should yield, on average, at least R110/ha per annum (calculated as TEV). 4. Employment returns from the inclusion of communal land into the protected area estate. By Year 3, the communal land included into the PA estate generates employment levels of at least 11,000 person days/year	14,210 ha 52,116 ha 3.2% 1.1% 8% 16.6% 0% R20/ha TBD	32,000 ha 63,000 ha 8% 11% 20% 35% 15% R110/ha/ annum[18] 32,000 person days/year	SANBI annual national and bioregional reports. Provincial Growth and Development Plan annual reports; Eastern Cape Provincial SOE reports; Annual IDP reviews; Annual reports of implementing agencies on Wild Coast (DEAT-MCM, DEAET, ECPB, DWAF, DLA); Minutes of meetings of Wild Coast Steering Committee; Annual Wild Coast Program M&E reports; Minutes of co-management committee meetings Total Economic Valuation (TEV) of PA estate	There is relative stability in the local economy; Political stability, law and order are maintained; Relationship between national, provincial and local level maintained; No significant increase in the external pressures on protected areas; Land claims are satisfactorily processed; Communal landowners have legitimate structures (traditional authorities, CPA's, Land Trusts, etc.) to represent their interests
Project Outcomes	**Indicator**	**Baseline**	**Target**	**Sources of verification**	**Risks and Assumptions**
Outcome 1: Institutional framework and capacity to facilitate	1. Percentage of staffing in the eastern region of the ECPB that meet the competence and skills required for the following occupational levels:			Annual reports of implementing agency;	Enabling legal and policy framework supports effective institutional arrangements;

[18] Projected financial returns from PA's in the Wild Coast is higher than the estimated return on agriculture (R40-42/ha) and small stock farming.

co-management systems for protected areas is in place.	• Level 5: Director Strategic and program based • Level 4: Managerial, Project management and or high level technical • Level 3: Technical Supervisory and/ or mid-level technical • Level 2: Skilled worker, technical functions with some team leadership • Level 1: Laborer , non-technical functions By EOP, greater than 60% of staff in the eastern region of the ECPB meet the required competence and skills standards for PA management. 2. The average score of staff performance evaluations (on a performance rating of 1-5) for the eastern region of the ECPB. By year 3, average staff performance scores will exceed 2.5/5, while by EOP staff performance scores will exceed 3/5. 3. Total operational budget for recurrent operational costs: • Increase (%) of budget amount appropriated for the recurrent operational management costs of the Wild Coast PAs (through development of PA usage/concession fees, new financing mechanisms and more cost-effective HR management) • Ratio of HR costs: recurrent operations costs By year 3, the operational budget is increased by 70% and the HR:operations budget is reduced to 70:30. By EOP, the operational budget is increased by 260% and the HR: operations budget reduced to 60:40. 4. Management Effectiveness of the Wild Coast Program Management Unit % of the funded conservation and sustainable development initiatives that are integrated and aligned with the PGDP, municipal IDP's and the Wild Coast Conservation and Sustainable Development Program.	45% 36% 15% 18% 65% TBD R10.1m/ annum 80:20 0%	80% 75% 65% 60% 80% 3/5 R27m/ annum 60:40 90%	Audited financial reports of implementing agency Organograms and staffing levels of implementing agency; Staff audits of implementing agency; Staff performance evaluations of implementing agency; Training reports for implementing agency. Survey of communal and municipal structures (Trusts, CPA's, Administrative authorities, local ward councils, Provincial House of Traditional Leaders, Chiefs, Headman). Public Investment Programme Budgets	Implementing agencies are still able to pay competitive salaries; The spread of HIV Aids is controlled; Income from the ECPB can be re-invested in the protected area network; Implementing agencies continue to maintain a co-operative, collaborative working relationship.
Outcome 2: Management effectiveness is enhanced within a rationalized and more representative system of protected areas (Type 1 PAs), operating under co-management agreements with local communities and the	1. Increase of Management Effectiveness Tracking Tool (METT) scores for targeted protected areas: • Dwesa-Cwebe Nature reserve and MPA • Mkambati Nature Reserve • Hluleka Nature Reserve • Silaka Nature Reserve • Pondoland MPA By year 3, the METT scores have increased to 59, 60, 54, 60 and 52 respectively.	 50 44 38 47 25	 71 74 69 71 60	Wild Coast Program annual reports Provincial gazetting of PAs Management plans for PAs Annual reports for PAs Annual plans of operations	Institutional capacity and resources deployed to manage protected areas; The transfer of the rights and responsibilities of state land to communities occurs without major problems; Municipalities remained willing to integrate conservation in the local

private sector.	2. Percentage of alien infested areas in a regular, properly funded control and eradication program. By EOP, all IAS within the Type 1 PAs are part of a structured, properly funded and managed control and eradication program.	TBD	100	and budgets of PAs Mid-term and final METT analyses for PAs PA monitoring and evaluation program outputs	development agenda; Continuous political support for decentralization.
Outcome 3: A functioning network of managed resource protected areas (Type 2 PAs) is in place and is being effectively managed in active collaboration with local communities	1. Extent (ha) of communal land included into managed resource use protected area estate. By year 3, at least 6000ha is included into the PA s estate 2. Number of co-management structures developed, maintained and functional on communal land in the high priority areas. By year 3, three management structures are established, maintained and functioning effectively and by EOP, six are functioning effectively. 3. Increase in METT scores for Type 2 PA's: • State Forests (excluding above PAs) • Coastal Conservation area By year 3, the METT scores are 41 and 45 respectively. 4. Numbers of co-management models for managed resource protected developed on communal lands in the Wild Coast replicated in Southern Africa. By EOP, 2 co-management models developed and tested in the Wild Coast are replicated on communal land elsewhere in southern Africa.	0 1 25 27 0	14,000 ha 6 56 65 2	Wild Coast Program annual reports Annual reports of implementing agencies; Minutes of local communal co-operative governance structures IDP reviews; Mid-term and final METT analyses for PAs	Land-use planning systems in place and aligned with conservation priorities; Communal landowners continue to be interested in establishing a form of protected area on their land; Current development pressures can be regulated and controlled; Regulations enabling the implementation of the Communal Land Rights Act are promulgated; Communal landowners have legitimate structures to represent and negotiate their interests.

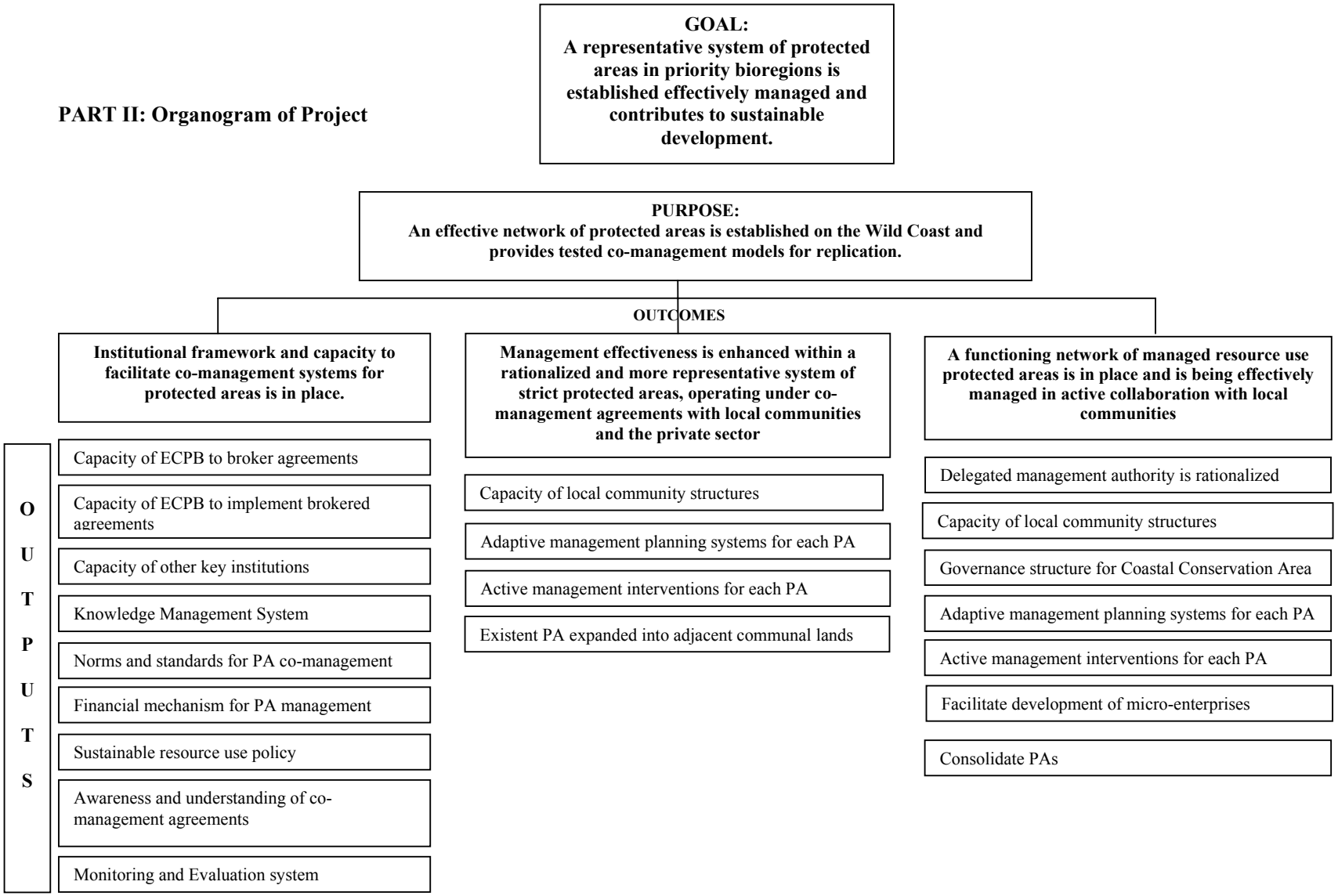
Outputs	Activities	Responsibilities
Output 1.1. Capacity within Eastern Region of the Eastern Cape Parks Board to broker management agreements is strengthened.	**Activity 1.1.1.** Establish and equip the Co-management Active Support Unit (CASU) composed of: Project Coordinator, Skills Development Facilitator, part-time financial manager (funded by GEF for the duration of the project), community liaison officer (funded by ECPB and DEAT) and administrative assistant (funded by ECPB). The capacity of the CASU will be supplemented by a community outreach team (see **Activity 1.8.3)**, the team members of whom are located within the priority areas;	Eastern Cape Parks Board
	Activity 1.1.2. Design a five-year business plan for the CASU;	CASU – Project and Brokering Coordinator
	Activity 1.1.3. Conduct a series of highly specialized training courses for CASU and other staff of the Eastern Cape Parks Board (legal issues, fundraising, communication and negotiation skills).	CASU Consultants
Output 1.2. Capacity within Eastern Region of the Eastern Cape Parks Board to implement the brokered management agreements.	**Activity 1.2.1.** Conduct a training needs assessment;	CASU - Skills development facilitator
	Activity 1.2.2. Develop and implement a comprehensive training program.	CASU - Skills development facilitator Consultant
Output 1.3. Strategic key institutions (municipalities, Land Affairs, etc) have an increased capacity to actively participate in co-management agreements.	**Activity 1.3.1.** Conduct a training needs assessment;	CASU - Skills development facilitator
	Activity 1.3.2. Develop and implement a comprehensive training program;	CASU - Skills development facilitator Consultant
	Activity 1.3.3. Integrate conservation needs into IDPs (direct investments on infrastructure and poverty relief into conservation areas).	CASU –Project and Brokering Coordinator, Skills development facilitator
Output 1.4. Knowledge management system for establishment and implementation of co-management developed.	**Activity 1.4.1.** Comprehensive assessment of the effectiveness of co-management arrangements for each protected area based on the review undertaken in the preparation stage;	CASU – Project Coordinator and community liaison officer
	Activity 1.4.2. Design and produce a "how to kit" for set-up and manage various types of co-management agreement;	CASU Service Contract
	Activity 1.4.3. Conduct a series of stakeholder workshop at local, national and regional level and support secondments, village-to-village exchanges and study tours for ECPB staff, local government and local communities to enable knowledge sharing;	CASU Service Contract
	Activity 1.4.4. Design a set of guidelines and interventions specific for each type of co-management agreements.	CASU – Project Coordinator and community liaison officer
Output 1.5. Norms and standards guiding the co-management of protected areas are produced and adopted by the relevant institutions.	**Activity 1.5.1.** Develop of norms and standards for co-management of PA in the Wild Coast;	CASU Consultant (Legal)
	Activity 1.5.2. Translate the norms and standards in a set of regulations that will guide the implementation of various types of co-management models;	CASU Consultant (Legal)
	Activity 1.5.3. Conduct a series of consultations with relevant institutions in Eastern Cape and with other provincial and national agencies in South Africa;	Eastern Region of ECPB CASU – Project Coordinator
	Activity 1.5.4. Adopt the regulations by the Eastern Cape Parks Board.	Eastern Region of ECPB CASU – Project Coordinator

Outputs	Activities	Responsibilities
Output 1.6. Financial mechanism for protected area management in place.	**Activity 1.6. 1.** In-depth analysis of the potential sources of income identified in the preparation stage;	Eastern Region of ECPB Consultant (Financial)
	Activity 1.6.2. Negotiate with relevant institutions to generate income streams and, where required, amend the appropriate regulations/ procedures.	Eastern Region of ECPB Consultant (Financial)
Output 1.7. Sustainable Resource Use policy is developed.	**Activity 1.7.1.** Carry out a baseline survey of the existing use in and around protected areas;	Eastern Region of ECPB; Consultant
	Activity 1.7.2. Determine the thresholds of potential concerns (TPC) for the heavily utilized and/or impacted marine and terrestrial species;	Eastern Region of ECPB; Consultant
	Activity 1.7.3. Develop a policy for harvesting based on the TPCs;	Eastern Region of ECPB; Consultant
	Activity 1.7.4 Develop a practical monitoring and evaluation system to assess on an ongoing basis levels of harvesting;	Eastern Region of ECPB; Consultant
	Activity 1.7.5. Develop operational procedures to deal with use that exceeds TPCs.	Eastern Region of ECPB; Consultant
Output 1.8. Increased awareness and understanding of key stakeholders about co-management agreements.	**Activity 1.8.1.** Develop a targeted communication strategy, including a set of tools, around communities living in the priority areas;	CASU - Skills development facilitator and communication consultants
	Activity 1.8.2 Design a series of materials translated in all local languages relevant for the priority areas;	CASU - Skills development facilitator and communication consultants
	Activity 1.8.3. Develop and train a community outreach team, comprising 6 team members, to implement the communication strategy.	CASU - Skills development facilitator and communication consultants
Output 1.9. A comprehensive monitoring and evaluation system designed and operational.	**Activity 1.9.1.** Design a comprehensive monitoring and evaluation system;	CASU; Service Contract
	Activity 1.9.2. Collect and process baseline information;	CASU; Service Contract
	Activity 1.9.3. Conduct METT annually in all selected protected areas;	CASU; Service Contract
	Activity 1.9.4. Annual stakeholder meetings to inform about the results of the M&E;	CASU
	Activity 1.9.5. Independent M&E;	CASU; Service Contract
	Activity 1.9.5. Independent Project Audit.	CASU; Service Contract
Output 2.1. Local community structures have an increased capacity to negotiate management agreements for strict protected areas.	**Activity 2.1.1.** Consultations with the existent community structures in protected areas, identified in the preparation stage, to identify capacity needs to implement the co-management agreements;	CASU - Community liaison officer, Community Outreach Team
	Activity 2.1.2. Contract a service provider to strengthen existing community structures in protected areas;	CASU - Community liaison officer, Community Outreach Team
	Activity 2.1.3. Contract a service provider to strengthen and formalize relationships between the protected area institution and local community institutions in priority areas, where this does relationship does not currently exist;	CASU - Community liaison officer, Community Outreach Team Consultants
	Activity 2.1.4. Provide relevant training (financial management; legal issues; governance; basic conservation management; negotiation and communication skills) to local community structures.	CASU - Community liaison officer, Community Outreach Team Consultants
Output 2.2. Adaptive management planning systems for each strict protected area are established.	**Activity 2.2.1.** Initial review of the status quo of the provincial nature reserves and Category 1 and 2 MPAs (biological, social and economic);	Eastern Region of ECPB – Regional ecologist and Conservation planner
	Activity 2.2.2. Establishment of small Reserve Management Planning teams composed of the reserve manager, regional conservation planner, regional ecologist, representative of community;	Eastern Region of ECPB – Regional ecologist and Conservation planner
	Activity 2.2.3. Participatory development the strategic management plan and conservation development framework for the reserve;	Reserve Management Planning Team

Outputs	Activities	Responsibilities
	Activity 2.2.4. Develop an alien clearing program;	Reserve Management Planning Team
	Activity 2.2.5. Prepare the first annual operational plan for each protected area.	Reserve Management Planning Team
Output 2.3. Active Management interventions for strict protected areas.	**Activity 2.3.1.** Implementation of new alien control techniques;	Eastern Region of ECPB; Reserve manager; Specialist service provider
	Activity 2.3.2. Evaluating fire management requirements for coastal grasslands;	Eastern Region of ECPB
	Activity 2.3.3. Development of a functional knowledge management system	Eastern Region of ECPB; Reserve manager; specialist service provider
	Activity 2.3.4 Acquire equipment to enable offshore patrolling of MPA	CASU
Output 2.4. Strict protected areas are expanded into adjacent communal land through co-management agreements	**Activity 2.4.1.** Prioritize the areas proposed in the preparation stage for consolidation, rationalization and expansion;	CASU
	Activity 2.4.2. Identify and select potential options for consolidation, rationalization and expansion based on ground-truthing of the assessments carried out in the preparation stage;	CASU
	Activity 2.4.3. Negotiate the most effective co-management arrangements for the selected options;	CASU
	Activity 2.4.4. Develop the legal co-management agreement;	CASU, specialist service provider
	Activity 2.4.5. Facilitate the transition of the agreement in the implementation;	CASU
	Activity 2.4.6. Prepare amendment to proclamation.	CASU
Output 3.1. The delegated management authority for the managed resource use protected areas is rationalized	**Activity 3.1.1.** Rationalize the delegated management authority for the CCA, MPAs and State Forests with roles and responsibilities clearly defined;	Eastern Region of ECPB – Conservation planner; Specialist Service Providers
	Activity 3.1.2. Rationalize protected area status;	Eastern Region of ECPB – Conservation planner
	Activity 3.1.3. Incorporate the coastal conservation area into provincial enabling legislation;	Eastern Region of ECPB – Conservation planner; specialist service provider
	Activity 3.1.4. Develop the legal co-management agreement for managed resource use Pas;	CASU and specialist service provider
	Activity 3.1.5. Establish the appropriate co-management structure to manage the PA's.	CASU and specialist service provider
	Activity 3.1.6 Analyze the options for, costs and efficacy of, community-based enforcement	CASU and specialist service provider
Output 3.2. Local community structures have an increased capacity to negotiate management agreements for strict protected areas.	**Activity 3.2.1.** Consultations with the existing community structures in protected areas, identified in the preparation stage, to identify capacity needs to implement the co-management agreements;	CASU - Community liaison officer, Community Outreach Team
	Activity 3.2.2. Contract a service provider to strengthen existing community structures in protected areas;	CASU - Community liaison officer, Community Outreach Team, Service provider
	Activity 3.2.3. Contract a service provider to strengthen and formalize relationships between the protected area institution and local community institutions in priority areas, where this does relationship does not currently exist;	CASU - Community liaison officer, Community Outreach Team Consultants
	Activity 3.2.4. Provide relevant training (financial management; legal issues; governance; basic conservation management; negotiation and communication skills) to local community structures.	CASU - Community liaison officer, Community Outreach Team Consultants

Outputs	Activities	Responsibilities
Output 3.3. A cooperative governance structure for the Coastal Conservation Area is established and functional	**Activity 3.3.1.** Establish a co-operative governance structure for the CCA;	CASU and Consultant
	Activity 3.3.2. Update the existing planning framework (i.t.o.the Wild Coast Tourism Development Policy);	Eastern Region of ECPB Consultant; Land Use Planner
	Activity 3.3.3. Develop a set of guidelines and tracking tool for processing development applications;	Eastern Region of ECPB Consultant ; Land Use Planner
Output 3.4. Adaptive management planning systems for managed resource use protected area are established.	**Activity 3.4.1.** Development of strategic management plans and conservation development framework for indigenous state forests	Eastern Region of ECPB – Regional ecologist and Conservation planner
	Activity 3.4.2. Development of an alien clearing program for state forests and the CCA	Eastern Region of ECPB – Regional ecologist and Conservation planner
	Activity 3.4.3. Development of a set of operational guidelines for sustainable use of the natural resources within each type 2 PA	CASU; Specialist service provider
Output 3.5. Active Management interventions for managed resource use protected areas.	**Activity 3.5.1.** Boundary survey and demarcation of state forests, CCA and MPAs;	Eastern Region of ECPB; Reserve manager; Specialist service provider
	Activity 3.5.2. Establishment of a community-led monitoring service in state forests, MPAs and CCA;	Eastern Region of ECPB
	Activity 3.5.3. Implementation of new alien control techniques in state forests and the CCA;	Eastern Region of ECPB; Reserve manager; specialist service provider
	Activity 3.5.4. Development of a functional knowledge management system;	Eastern Region of ECPB; Reserve manager; specialist service provider
	Activity 3.5.5 Rehabilitation of priority state forests.	Eastern Region of ECPB; Reserve manager; specialist service provider
Output 3.6. Facilitate the development of the micro-enterprises based on sustainable use of coastal resources.	**Activity 3.6.1.** Identify potential enterprises based on sustainable use of marine and terrestrial resources;	MCM; Consultant
	Activity 3.6.2. Identify interested commercial agencies and opportunities for brokering linkages between them and local communities;	MCM Consultant
	Activity 3.6.3. Identify potential local entrepreneurs;	MCM; Consultant
	Activity 3.6.4. Training in business and entrepreneurial skills.	MCM; Consultant
Output 3.7. Protected areas consolidated into viable management units through co-management agreements	**Activity 3.7.1.** Prioritize the areas proposed in the preparation stage for connectivity;	CASU
	Activity 3.7.2. Identify and select potential options for connectivity based on ground-truthing of the assessments carried out in the preparation stage;	CASU, specialist service provider
	Activity 3.7.3. Negotiate the most effective co-management arrangements for the selected options;	CASU, specialist service provider
	Activity 3.7.4. Develop the legal co-management agreement;	CASU, specialist service provider
	Activity 3.7.5. Establish the most appropriate structure to manage the implementation;	CASU, specialist service provider
	Activity 3.7.6. Facilitate the transition of the agreement to implementation;	CASU
	Activity 3.7.7. Prepare the amendment to proclamation.	CASU

PART II: Organogram of Project



PART III: Attachments

Annex 1. Protected Area Status

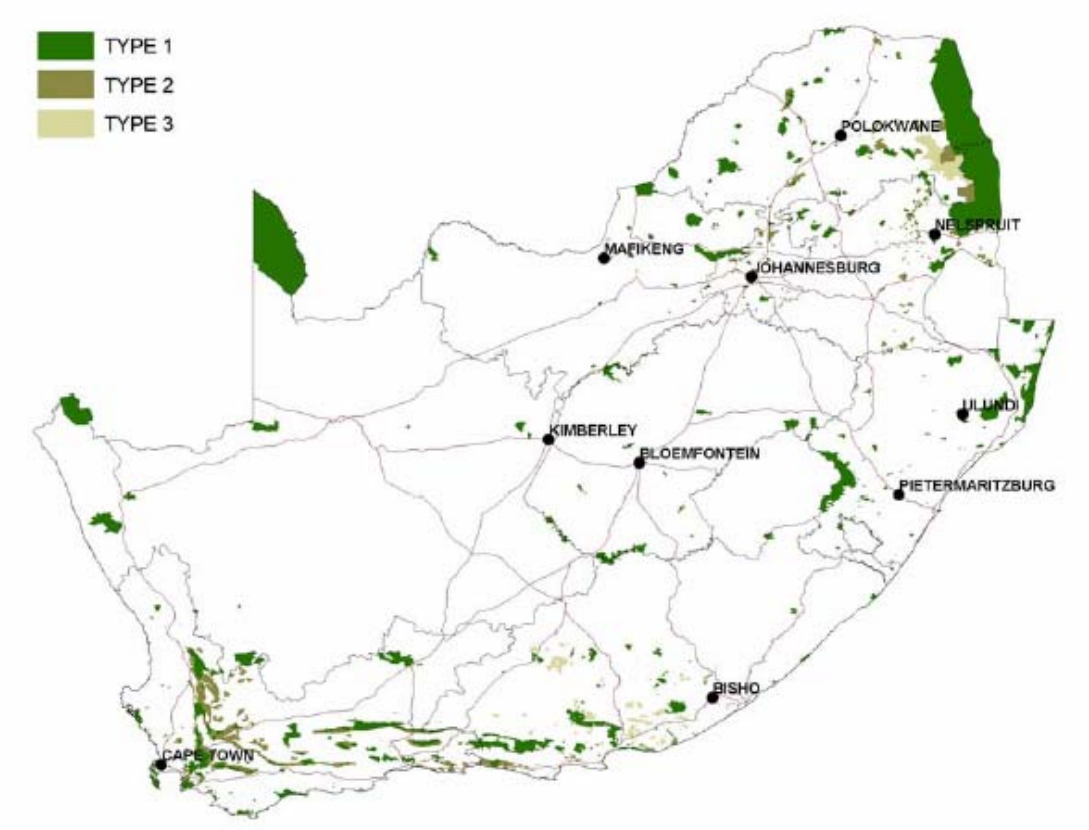
1. South Africa's Protected Area System

1.1 Terrestrial Protected Areas

1. South Africa has a reasonably well-developed system of protected areas. The Draft South African National Spatial Biodiversity Assessment (NSBA, 2004) has, based on the security of its long-term conservation status, classified South Africa's terrestrial protected areas into 3 broad types:

- **Type 1** protected areas include National Parks, Provincial Nature Reserves, Local Authority Nature Reserves and Forest Reserves;
- **Type 2** protected areas include Wildlife Management Areas, Private Nature Reserves, National Heritage Sites, undeveloped State land (excluding Type 1 protected areas), Bird Sanctuaries, Botanical gardens, Mountain Catchment Areas (excluding Type 1 protected areas) and Indigenous State Forests (excluding Type 1 protected areas);
- **Type 3** protected areas include Private Game Farms and Game Reserves (excluding Type 2 protected areas), Conservancies (excluding Type 2 protected areas) and any other category of conservation area that does not have a formal protected area status.

2. Map 1 provides an overview of the spatial distribution of these protected areas. Currently 6% of the land surface of South Africa, comprising 479 Type 1 PAs and 471 Type 2 PAs, is under some form of protection. Table 1 shows the number, distribution and extent of these protected areas for the respective provinces. Only a few protected areas are greater than 100,000 ha with the vast majority between 1,000 and 10,000 ha in size.



Map 1. Distribution of Type 1, 2 and 3 protected areas in South Africa

Table 1. Provincial distribution, by number and area, of Type 1, 2 and 3 protected areas in South Africa

Province	Type 1	Type 2	Type 3	Total Area
Eastern Cape[19]	94	94	51	1,071,427
Free State	18	1		262,545
Gauteng	23	41	1	201,341
KwaZulu Natal	84	5		737,633
Mpumalanga	45	76	3	2,416,696
Northern Cape	14			1,433,705
Limpopo	41	43	9	2,949,273
North West	22	8	2	349,443
Western Cape	138	203		1,786,325
Total	479	471	66	11,208,491

3. In most parts of the country, the current protected area estate is however historically biased in favor of landscapes where the opportunity costs of conservation are low. The protected area network is thus not uniformly distributed in the landscape and there are substantial gaps that need to be addressed to ensure the representativity of the protected area network. The South African Government has stressed its commitment to ensuring that the protected area network provides adequate protection to the countries nine biomes and that the network of type 1 protected areas is expanded to 8% of South Africa's terrestrial land surface by the year 2010. Table 2 provides an overview of the current status of the percentage of habitat transformation and representation in Type 1 protected area for each biome. The forest, fynbos and desert are the most protected biomes in terms of percentage total area, while the Nama-karoo and grasslands are the least protected biomes.

Table 2. Habitat transformation and protection of biomes in Type 1 protected areas

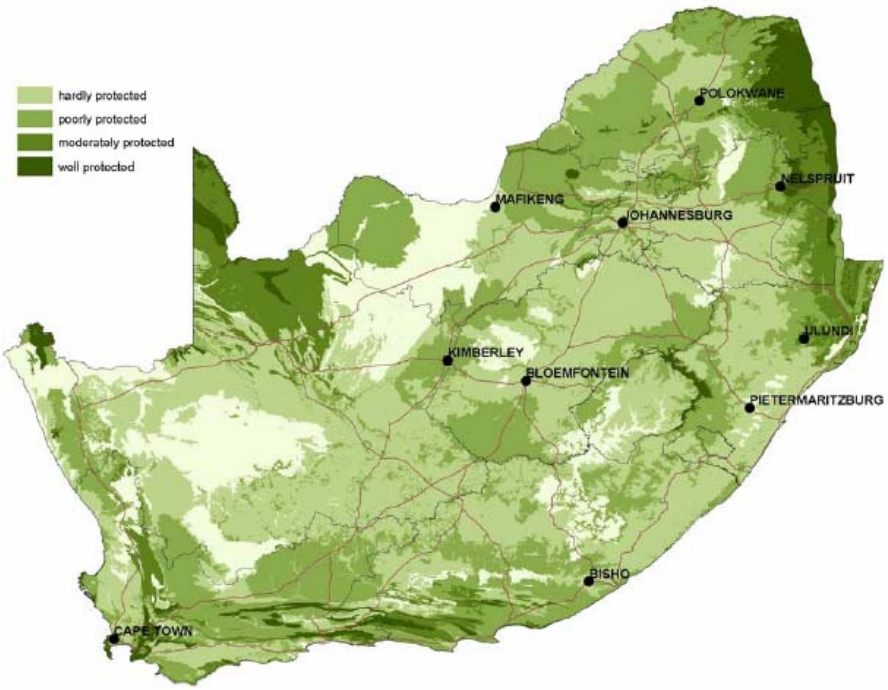
Biome	Area (km^2)	% total area	% remaining	% protected
Fynbos[a]	84,580	6.7	70.2	11
Grassland	373,984	29.5	70.8	1.9
Savanna	412,753	32.6	86.1	8.9
Albany thicket	30,256	2.4	91.9	6.3
Wetlands	16,790	1.3	92.1	4.6
Desert	8,548	0.7	93.4	12.5
Forest	4,730	0.4	94.7	39.6
Succulent Karoo	85,207	6.7	96.5	3.1
Nama-karoo	250,069	19.7	98.4	0.6

[a] The original extent of forests has not been accurately mapped and this value is considerably over-estimated

4. Of the 441 terrestrial vegetation types classified, 21 (5%) are critically endangered, 58 (13%) are endangered, 70 (16%) are vulnerable and 292 (66%) were not threatened. An assessment of the protection level of each vegetation type, in relation to its biodiversity targets, has revealed that 110 vegetation types are not protected at all. Furthermore, an additional 90 vegetation types have less than 5% of their biodiversity target protected. More than 300 vegetation types have less than half their biodiversity target protected in statutory protected areas. Map 2 shows the protection status of South African vegetation types based on the percentage

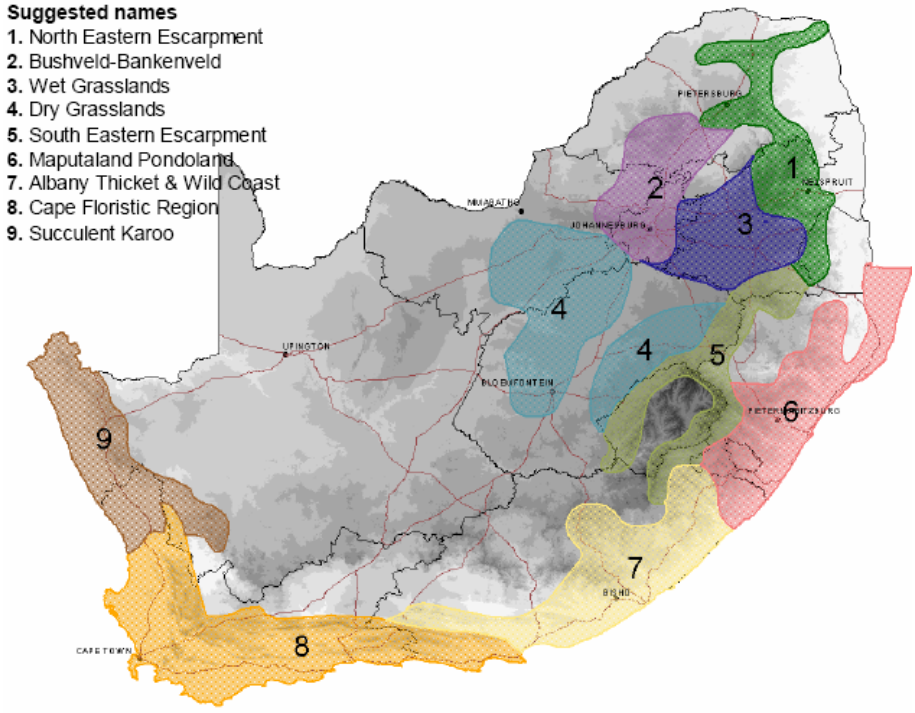
[19] The numbers and area estimated by NSBA for the Eastern Cape is probably an underestimate due to poor data for the private protected areas. More recent data from DEAET estimate the extent of Type1, 2 and 3 protected areas as 1,724,981.

target met in Type 1 protected areas.



Map 2. Protection status of South African vegetation types based on the percentage target met in Type 1 protected areas

5. In expanding the protected area network, South Africa is focusing on biomes and ecosystems that are currently under-protected to bring the country closer to the ideal of a representative sample of all ecosystems in protected areas. Map 3, developed as part of the NSBA (2004), provides a preliminary indication of the nine priority terrestrial areas in South Africa for conservation action. Five inter-linked sets of actions are envisaged: (i) working with production sectors; (ii) strengthening bioregional programs; (iii) minimize loss of habitat in threatened ecosystems; (iv) prevent and manage the spread of invasive alien species; and (v) expand protected areas to achieve representation targets.



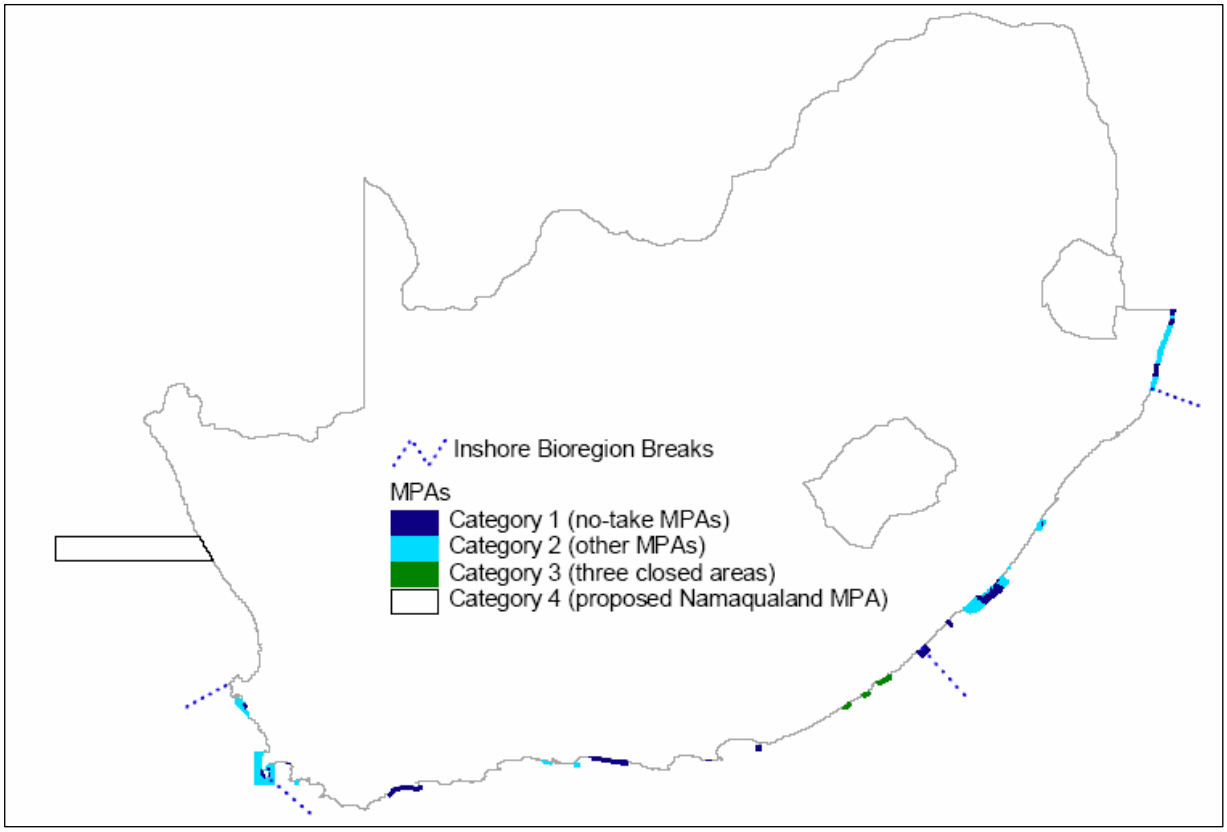
Map 3. Preliminary indication of the nine priority terrestrial areas in South Africa for conservation action

1.2 Marine Protected Areas

6. The Draft South African National Spatial Biodiversity Assessment (NSBA, 2004) has divided the marine protected areas (MPA) estate into three categories:

- **Category 1** areas are no-take no take marine protected areas;
- **Category 2** areas are other marine protected areas in which some extraction is permitted under controlled conditions;
- **Category 3** areas are "closed areas".

7. Map 4 shows the spatial distribution of these marine protected areas, as well as the proposed extent of the Namaqualand MPA. Table 3 provides an overview of the protection status of the South African coastline within the 5 coastal bioregions. Although 23% of South Africa's coastline falls within category 1-3 MPAs, only 9% of this area is no-take. This 23% is further not truly representative of the regions coastal and marine biodiversity and there are currently no offshore MPAs. The total area covered by the MPAs constitutes some 9,980 km^2, currently only 0.41% of South Africa's Economic Exclusion Zone, of which only 0.16% of this is no-take. The South African Government has stressed its commitment to expanding the network of marine protected areas to 20% of the area of each biozone by the year 2010. Two of the six supratidal biozones – West Coast and Transkei Coast Supratidal – do not reach their targets of 20% in category 1 MPAs. None of the Namaqua biozones are protected, and no part of the abyss in South Africa's EEZ is protected. Except for the Delagoa intertidal, shallow, deep and sub-photic biozones, South-western Cape intertidal and Natal intertidal, the remaining biozones are poorly protected. National priorities for the establishment of MPAs are focused on the West Coast biozones and the deep sea regions.



Map 4. Spatial distribution of marine protected areas in South Africa (the proposed extent of the Namaqualand MPA is shown as 'Category 4')

Table 3. Protection status (categories 1-3), by length (km) of coastline protected, within the 5 coastal bioregions of South Africa

Bioregion	Length of coastline (km)				
	Category 1 MPA	*Category 2 MPA*	*Category 3MPA*	*Coastline not in MPAs*	*Total length*
Namaqua	0	0	0	629	684
SW Cape	51	163	0	207	420
Agulhas	197	78	52	1379	1706
Natal	43	100	0	550	693
Delagoa	43	110	0	0	153
Total	334	451	52	2764	3656

1.3 Mechanisms for expansion of the protected area estate

8. The intention of the national government, and the realities of the economic constraints, is that the expansion of the protected network will primarily only be achieved through the establishment of conservancies, co-management areas, contract parks and through strategic land acquisition to create linkages between protected areas (Yawitch, Mancotywa and Naude, 2003). Over the last decade much of the effort in the expansion of the protected area estate in South Africa has been on private and public land with a limited focus on communal lands. This has included: the consolidation of multiple land ownership; the addition of freehold land to build the conservation landscape; establishment of commercial joint ventures; and retention of titled land, formally returned to communities, within protected areas. There are also precursors to the formal protected area estate, though of a less legal formal nature, where provincial protected area agencies are encouraging private and communal neighbors to shift their land use to conservation. The formal incorporation of communal and private land into protected areas has required protected area agencies to experiment with incentives to encourage landowners to convert areas of high biodiversity priority away from marginal agriculture to conservation. These incentives include: traversing rights; management inputs; technical support; extension services; fencing support; fire management; clearing of invasive plants; tax exemptions; access to expensive game; and legal recognition These incentives are aimed helping landowners to convert from low production and unprofitable land uses into more environmentally sustainable nature-based ventures. Allowing landowners to be incorporated into a protected area without necessarily involving a transfer of title has the main benefit that the protected area can be managed as an ecological whole whereas the overwhelming cost of land purchase can be reduced. Enabling these relationships is the fact that conservation, nature based tourism and wildlife management has in many areas been made into a competitive form of land use, and that proximity to formal protected areas adds value to property with potential for wildlife, recreation and ecotourism enterprises.

9. Whereas formal PA management still remains highly centralized, this model is starting to be critically questioned in favor of the localization of management and benefit, and the use of protected areas as ‘economic bridgeheads’ to promote economic development and landscape consolidation and management. Although Cape Nature, SANParks, Ezemvelo KZN Wildlife and North West Parks, amongst others, are tentatively exploring localization of protected area planning and operational management using adjacent private enterprises, local communities and NGOs, this has unleashed considerable internal and external debate and remains an area of future paradigm shifts. A series of conceptual models have been developed in South Africa aimed at spreading the benefits of protected areas. In some cases, the models are based on the historic rights of people to the land, for example, contract parks where land was ‘owned’ by, or has been restored to communities under the governments land restitution program. In other cases the models reflect attempts by protected area agencies - in partnership with the private sector, NGOs, funders and other state agencies - to engage with and ensure a flow of benefits to those most directly affected by protected areas, the immediate neighbors. Not all have moved successfully from conceptualization to implementation, nor have all of those implemented been successful.

1.4 The legislative context for the protected area estate

10. Although South Africa's PA legislation is in a process of ongoing reform to align the management of PAs with South Africa's new constitution, there are still a myriad and diverse set of laws governing protected areas. South Africa have attempted to consolidate its protected area classification, through the Protected Areas Act of 2003, to align the country with the IUCN classification system, reduce confusion of terminology and clarify the conservation objectives for each protected area category. A number of protected area classifications however still remain under other enabling legislation – Marine Protected Area (Marine Living Resources Act 18 of 1998), Heritage Sites and Areas (National Heritage Resources Act 25 of 1999), protected forest area, forest nature reserve or forest wilderness area (National Forests Act 84 of 1998) and World Heritage Sites (World Heritage Convention Act 49 of 1999). Amendments to provincial enabling legislation to align with the Protected Areas Act are still underway and a number of pieces of *apartheid* legislation such as the Transkei Environmental Decree still need to be repealed.

1.5 The institutional context for protected area agencies

11. Protected area institutions in South Africa are undergoing considerable changes. Structurally, there is an ongoing trend to converting PA agencies into parastatals. This change in corporate culture is driven by the decline of government financing and a drive toward assuring financial self-sustainability. An emerging danger, albeit a lesser one than total collapse, is that protected area agencies like SANParks are forced to focus myopically on financial survival – ignoring their wider and real mandate to fulfill biodiversity and socio-economic goals can have enormous costs. There is also an increased level of commercialization of PAs involving both the revenue generation and the inculcation of more efficient management practices. Further, protected area agencies are actively exploring and developing more active and mutually beneficial partnerships with communities, the private sector and non-governmental organizations. Greater emphasis is being placed by PAs on economic potentials and social responsibility and this is increasingly providing the justification and mechanism for maintaining parks and, almost as a by-product, the more conventional objectives of biodiversity conservation. This is reflected in the changing skills profile of middle and senior management staff in these agencies with core skills in business management, project management, social science and tourism development, rather than the traditional bio-techno-bureaucratic competencies. Governance and accountability are also central issues for these protected area agencies. This includes the mechanism for linking the PA agencies to the political system without excessive or personalized political interference, and the mechanisms for holding the agency responsible for delivering appropriate value to society.

12. An area in which South African PA agencies are weak is in understanding the managerial relationship between functions, structure and performance. Although protected area agencies are innovatively responding to rapidly changing circumstances, they still remain some way behind in the adoption of modern business management practice while retaining some of the bad characteristics of budget-funded state agencies: high levels of centralized control, multiple and often competing goals and the retention of functions that add little or no value and should be made redundant. Where there has been progress, it is often attributable to an ability of these agencies to attract better leadership - no amount of restructuring can replace the simple need to attract, pay and keep the best individuals. Commercialization and the battle for viability in these agencies are also providing the ongoing impetus to positively change the management cultures.

13. Answering the question "how are protected areas in South Africa performing" is a particularly vexing question. Protected area conservation in South Africa does not seem to be underpinned by a clear philosophical foundation. Rather, agencies are struggling to find the correct balance between multiple, often rather unclearly defined objectives. The process of setting clear goals and performance indicators is an intellectually rigorous and highly philosophical exercise. It forces protected area agencies to define core activities and trade-offs. With the ever-expanding mandate of South African PA institutions, it has been suggested that they have lacked the discipline to kill off unproductive activities and, needing to placate an ever-widening constituency, cannot focus on core competencies or make controversial choices. It appears that they are safer if protected area goals are defined only in the broadest sense - this is why they can simultaneously promote mutually exclusive objectives such as large-scale tourism developments, extra-limital species introductions and biodiversity conservation. In

the rare situations where these goals and performance indicators have been clearly defined at the protected area or agency level, certainly no agency or individual protected area consistently and systematically measures its contribution against these pre-defined goals.

2. Protected area and biodiversity conservation priorities in the Wild Coast

2.1 Protected areas in the Eastern Cape Province

14. Seven of South Africa's nine biomes occur in the Eastern Cape: Forest (2%); Fynbos (6%); Grassland (39%); Nama-karoo (26%); Savanna (10%); Succulent Karoo (0.01%) and Thicket (17%). A relatively high proportion of the terrestrial extent of the Eastern Cape Province (10.18%) is formally (Type 1 and 2) and informally (Type 3) protected. When one only includes public (national, provincial and municipal) protected areas, the terrestrial extent of protected areas in the province is in the region of 4.7% of the land surface area. The distribution of protected areas across the biomes in the province is however unevenly distributed with Fynbos the most protected biome in the province and Grassland, Nama-karoo and Savanna the least protected biomes. The size distribution of formal protected areas is also highly variable. Of the 38 public protected areas in the province, only two are larger than 100,000 ha. Four protected areas are between 25,000 ha and 100,000 ha in size. Table 4 provides a breakdown of the conserved terrestrial area in the Eastern Cape.

Table 4. Extent of terrestrial protected area, by management authority, for the Eastern Cape

Management authority	Area (ha^2)	% protected
National	370,462	2.19
Provincial	419,351	2.47
Municipal	13,818	0.01
Subtotal	**803,631**	**4.74**
Private	921,350	5.43
Total	**1,724,981**	**10.18**

The Marine protected areas of the Eastern Cape cover some 33,825ha along 7.7% of the province's coastline.

2.2 Institutional responsibilities for environmental management and protected area management

15. The Eastern Cape provincial government, through the Department of Economic Affairs, Environment and Tourism (DEAET), has, along with national government, explicit governance responsibilities for environmental management. The Chief Directorate of Environmental Affairs (CDEA) forms part of the Department of Economic Affairs, Environment and Tourism in the Province with the provincial head office housed in Bisho. DEAET is in the process of restructuring its protected areas mandate through the formation of a parastatal, the Eastern Cape Parks Board (ECPB), to assume responsibility for protected areas and a number of other off-reserve conservation management functions. The parastatal will perform the functions of the Protected Area Management (PAM) Directorate.

2.3 Biodiversity assessment of the Wild Coast

16. The assessment of biodiversity in the Wild Coast was based on the vegetation types as representative of broad ecosystems in the region. Table 5 lists the biomes and vegetation types found within the Wild Coast. The Wild Coast includes portions of 5 of South Africa's 9 biomes. The major biomes of the Wild Coast, encompassing the largest areas, are the forest, grassland and savanna. However, the savanna vegetation types are marginal within the Wild Coast with less than 8% of their total area falling into the Wild Coast. It is only the Pondoland-Natal Sandstone Coastal Sourveld and Transkei Coastal Belt grassland vegetation types, the Scarp Forest vegetation type and the Subtropical Estuarine Salt Marshes that lie predominantly in the Wild Coast.

17. The determination of conservation targets provides an indication of how much of each vegetation type

must be conserved to ensure the representation and persistence of biodiversity in a region. The National Spatial Biodiversity Assessment has provided national conservation targets for these vegetation types (see Table 5). These targets vary depending on the species richness of the vegetation type and range from 24% for the Estuarine Salt Marshes, 25% for the grasslands, 40% for the scarp forest to 100% for the Mangrove forest.

18. Table 5 illustrates the gap between these conservation targets and the actual percentage of the vegetation type protected in existing conservation areas. The values in Table 5 are the percentage of the NSBA target falling within protected areas. Some of the vegetation types are very well protected with more than 200% of the target already achieved in protected areas e.g. Northern Coastal Forest. However the majority fall far short of their targets. The Scarp forest has over 80% of the target achieved and the Mangroves have 40% of their target achieved. The Pondoland grasslands have only approximately 20% of their targets protected, while the Transkei Coastal Grasslands have just fewer than 3% of their targets achieved while the Subtropical Estuarine Salt Marshes currently have no protection. These values indicate how much more conservation is required for some of the vegetation types. It is important to note that these gap scores are for the vegetation types at a national scale and do not provide an indication of the protection gap in the Wild Coast, merely highlighting national priorities in the Wild Coast vegetation types.

Table 5. Vegetation types of the Wild Coast and their national status

Biome	Vegetation Type	Area in Wild Coast (ha)	Area in SA %	*NSBA targets %	@Gap	#Conservation Status
Albany Thickets	Subtropical Seashore Vegetation	473.14	11.41	20	211.06	LT
Albany Thickets	Buffels Thicket	518.08	0.46	19	3.75	V
Albany Thickets	Subtropical Dune Thicket	546.92	27.58	20	108.89	LT
Forest	Northern Coastal Forest	57.32	0.12	43	272.81	LT
Forest	**Scarp Forest**	**36,673.57**	**42.29**	**40**	**84.42**	**LT**
Forest	**Mangrove Forest**	**169.71**	**5.08**	**100**	**48.86**	**CE**
Forest	Southern Mistbelt Forest	7,210.62	6.55	30	31.79	LT
Forest	Southern Coastal Forest	142.33	0.86	40	221.71	LT
Grassland	**Pondoland-Natal Sandstone Coastal Sourveld**	**105,460.20**	**80.62**	**25**	**23.48**	**V**
Grassland	**Transkei Coastal Belt**	**163,625.53**	**100.00**	**25**	**2.94**	**V**
Savanna	Eastern Cape Thornveld	5,7092.10	7.14	25	0.6	V
Savanna	Eastern Valley Bushveld	70,860.41	7.12	25	1.89	LT
Savanna	Ngongoni Veld	68,046.23	6.77	25	1.07	V
Wetlands	Cape Estuarine Salt Marshes	207.05	2.10	24	10.12	V
Wetlands	**Subtropical Estuarine Salt Marshes**	**375.65**	**100.00**	**24**	**0**	**LT**
Entire domain		**512,645.11**	**0.40**			

** Percentage of vegetation type required to meet national conservation targets (Driver et al. 2004)*

 # National conservation status expressed as CE = Critically endangered; V = Vulnerable; LT = Least threatened

@Gap analysis: percentage of the conservation target that is achieved in existing conservation areas

19. In the Wild Coast, Mangrove Forests are Critically Endangered, the Pondoland and Transkei grasslands are Vulnerable along with some of the savanna and thicket vegetation types.

20. The results of an analysis of vegetation (SANBI 2004), protected areas (NSBA data) and land cover data (National Land Cover 1996; 2000; DWAF National Forest Inventory, EU infrastructure data) for the Wild Coast are presented in Table 6. In an analysis of the protection status of the vegetation types, the percentage of each

vegetation type falling into a provincial reserve is indicated. Provincial reserves make up the majority of protected land in the Wild Coast, there are many state forests, however their status as protected areas is uncertain and therefore they are not used in the protection status assessment. The Wild Coast is poorly protected with only 3.26 % of the land in provincial reserves. Scarp forests are the best protected with over 16% in reserves, followed by the Pondoland grasslands at 8%. The other Wild Coast vegetation types are poorly protected with the Transkei Coastal Grasslands at 1% and the Mangrove Forests at 0%. These low levels of protection are concerning, especially when the poor condition and management of the provincial reserves is considered.

Table 6: Land cover and protected areas of the vegetation types of the Wild Coast

Vegetation Type	Protected	Transformed	Type of Transformation*				
			Afforestation	Cultivation	Artificial surfaces	Mining	Urban
	%	%	%	%	%	%	%
Subtropical Seashore Vegetation	5.70	12.72	0.00	1.84	8.93	0.86	1.43
Buffels Thicket	0.00	1.14	0.00	0.16	0.98	0.00	0.00
Subtropical Dune Thicket	3.10	11.39	0.00	0.02	9.56	0.00	1.82
Northern Coastal Forest	0.00	34.30	0.00	2.51	29.26	0.00	2.78
Scarp Forest	**16.65**	**11.86**	**3.02**	**1.17**	**7.96**	**0.09**	**0.03**
Mangrove Forest	**0.00**	**2.71**	**0.00**	**2.71**	**0.00**	**0.00**	**0.00**
Southern Mistbelt Forest	0.00	12.52	1.32	1.15	10.64	0.00	0.06
Southern Coastal Forest	0.00	14.70	0.00	1.67	13.06	0.00	0.00
Pondoland-Natal Sandstone Coastal Sourveld	**7.98**	**36.45**	**5.62**	**25.02**	**11.84**	**0.05**	**0.65**
Transkei Coastal Belt	**1.10**	**35.65**	**1.17**	**20.30**	**18.54**	**0.09**	**3.41**
Eastern Cape Thornveld	0.00	38.82	1.74	21.32	20.79	0.00	7.64
Eastern Valley Bushveld	0.39	25.27	0.53	19.22	7.25	0.00	0.35
Ngongoni Veld	0.00	53.93	0.74	43.65	17.39	0.00	3.49
Cape Estuarine Salt Marshes	0.00	5.74	0.00	0.00	5.56	0.00	0.17
Subtropical Estuarine Salt Marshes	**3.25**	**2.21**	**0.00**	**0.33**	**1.70**	**0.11**	**0.08**
	3.26	34.98	2.13	22.57	14.77	0.05	2.59

** Due to data inconsistencies these classes of transformation are not mutually exclusive and may overlap depending on the data source. Therefore the sum of the area of afforestation, cultivation, mining, urban areas and artificial surfaces will often exceed the total area transformed*

21. The percentage of each vegetation type which is transformed by land cover change is indicated in Table 6, along with the type of land use causing the loss of habitat. The Wild Coast is 34% transformed, which is a relatively high amount of transformation when compared with other regions of South Africa. This figure may be an overestimate due to the combination of several different datasets to generate a layer of land transformation. The grassland vegetation types are extensively transformed, as are some of the savanna and forest types. Cultivation and artificial surfaces make the largest contribution to transformation in the Wild Coast, with afforestation impacting most on pondoland grasslands and scarp forests. 'Urbanization' (settlements) is highest in the Transkei grasslands.

2.3.1 Forests of the Wild Coast

22. The forests of the South Africa are well known for their high levels of biodiversity (Berliner and Benn 2004). Even though the forest biome is one of the smallest in South Africa, its biodiversity and socio economic importance far outweigh its size. The forest biome is thus a complex biome in that its biodiversity is of global significance, it is heavily relied upon by the rural poor, its products are often illegally utilized both at subsistence and commercial scales, and its patchy distribution makes traditional conservation efforts (e.g. National Parks) difficult to apply. Under the National Forest Act all indigenous forests are under some form of protection,

however the reality of the conservation status of most forests is highly uncertain.

2.3.2 Rivers of the Wild Coast

23. The Wild Coast extends over two water management areas (WMA) lying predominantly in the Mzimvubu to Keiskamma WMA (12) and just extending into the Mvoti to Umzimkulu WMA (11) and is made up of 6 sub-water management areas (Sub-WMA), Kei, Mbashe, Mtata, Mzimvubu, Wild Coast and Coastal Mvoti. These WMA have a low percentage of mainstream rivers of critically endangered and endangered status as most of the rivers have a status of vulnerable (Nel et al 2004). Many of the quaternary catchments are intact or have potential for rehabilitation, although the Kei sub-WMA has quaternary catchments that are transformed. The Mzimvubu River is the largest undeveloped water resource in the country (WMA 2003), the development of which would derive benefits of national importance and which will require appropriate and prudent planning to avoid jeopardizing future water development opportunities.

24. Land use in the WMA12 is largely livestock farming and subsistence agriculture, there are a number of irrigation developments, although not all are fully operational and timber is grown commercially in the higher rainfall areas. Water resource development varies, the Mzimvubu and Mbashe river catchments have no noteworthy dams and significant water resource development potential exists; the Mbashe and Mtata rivers have small hydro-electric developments; and the Mtata and Kei rivers are dammed in places. No inter-WMA transfers exist. Currently, the sub-WMA's have sufficient yield to meet all existing local water requirements (WMA03) and it is likely that, with planning and careful monitoring, this should remain the case into the future. However most rural and village requirements are supplied from unregulated run-of-river yields not reflected in annual average figures. The implementation of the ecological reserve may result in dry season deficits thus requiring careful investigation and implementation of the reserve. Insufficient stream flow monitoring in many parts of the WMA is a factor of concern (WMA03).

2.3.2 Estuaries of the Wild Coast

25. The Wild Coast estuaries are dominated by temporarily open (50) and permanently open estuaries (17) that straddle two biogeographical zones, the Subtropical and Warm Temperate zones, the transition of which is roughly demarcated at Mbashe. Estuaries within these zones have relatively distinct formal communities and rather different physico-chemical characteristics (Turpie 2004). Estuaries are important as they perform ecological processes that provide important services of considerably economic worth, such as the provision of a nursery habitat for marine species and the provision of outputs (nutrients and sediments) to the marine zone (Turpie 2004). SA estuaries have been rated in terms of their national conservation importance, assessed from quantitative and semi-quantitative data on plants, invertebrates, fish and birds, estuary type, its rarity within each biogeographical zone and its overall size. Four of the 32 estuaries identified as part of a minimum set of estuaries required to represent all estuarine biodiversity occur along the Wild Coast (Mtamvuna, Great Kei, Mntafufu and Mbashe). One Wild Coast estuary is rated within the top 20 SA estuaries (Mngazama) but nine fall in the top 50. But of the 9 estuaries that have protected area status, within the newly proclaimed Pondoland Protected Area, only 1 falls within the top 50 South African estuaries (Turpie & van Niekerk 2004). The nature of protection of these 9 is also not fully defined and the current level of protection is fairly low, extending only to the tidal reaches of the estuaries. Turpie (2004) state that more than 20% of the catchments in the Transkei region are affected by subsistence agriculture and many of the catchments have very high proportions of degraded land cover. However the current status of most of the estuaries along the Wild Coast according to the NSBA is that they are in excellent to good health and hold statuses of vulnerable to endangered (Turpie 2004).

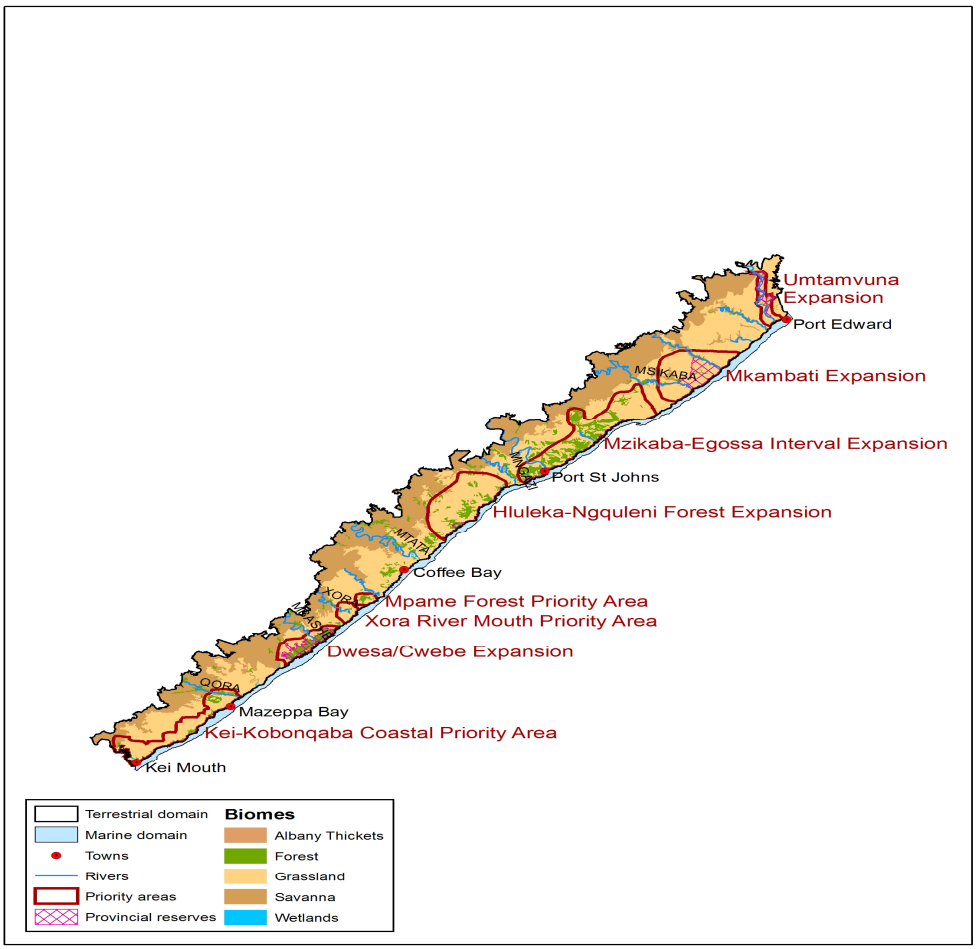
2.3.4 Inshore marine bioregion of the Wild Coast

26. The Transkei Inshore Bioregion is classified as moderately protected within marine protected areas, falling below the 20% national target (Lombard et al. 2004). The bioregion is ranked as the least threatened supratidal bioregion in South Africa. The intertidal zone of the Agulhas and Natal are also under protected according to the 20% national target. Unsustainable harvesting of marine living resources and pollution are the 2 biggest threats facing these bioregions.

2.4 Broad Priority Areas for protection in the Wild Coast

27. Map 5 shows the priority areas for priority conservation action the Wild Coast. The major priority areas include:

- Kei-Kobonqaba Coastal Priority Area - The Kei River forms the southern border of this expanse. The area runs close to the coast to include and extend beyond the Kobonqaba Dune Forest Complex to the Qora River. It includes the Manubi and Cebe forests and parts of the Wavecrest thicket and grassland. There are no formally protected areas in this region.
- Dwesa/Cwebe Expansion - small expansion of the existing protected area, Dwesa-Cwebe Nature Reserves to include areas of scarp forest and grassland.
- Xora River mouth - small priority area around the mouth of the Xora River. It contains mangroves which are exploited for building. Also included are wetlands and heathland. The Xora river mouth is the site of a newly discovered snail endemic to Wild coast
- Mpame forest - Near the mouth of the Mncwasa River is the Mpame forest, a forest in relatively good condition highlighted as important in terms of invertebrate endemism and diversity.
- Hluleka-Ngquleni Forest Expansion - large expansion from the small Hluleka Nature Reserve inland and northwards up the coast to include important and intact forest patches of the Pondoland Centre of endemism, including some mangrove forest patches. The Ngquleni forest area has the largest number of forest patches along the coast.
- Mzikaba-Egossa Interval Expansion - this area is bordered by the Silaka Nature Reserve to the south. It contains the town of Port St Johns on the Umzimvubu River and extends north to the Egossa fault. The area is defined to include the Egossa interval, Egossa fault and Mzikaba formation sandstone, to which the Pondoland Centre of Endemism (PC) is closely linked. Some of the PC is already conserved in the Mkambati Reserve, but is not considered sufficient. The call for the protection of this area has come from the Strategic Assessment of Biodiversity in the Eastern Cape (DEAET 2004). Large portions of this area were highlighted by numerous experts due to the fact that it contains some of the largest and best examples of Pondoland Forests, and contains many rare and threatened species.
- Mkambati Expansion - this is a general broadening of the area already protected by the Mkambati Nature Reserve and an extension northwards along the coast to include Tracor land and the Kwadlamba River catchment which has many undescribed endemics, and several river gorges of high importance (Mkambati Vlei Areas - Trakor land, Mtentu Gorge, Mnyameni River Gorge & Valley and Mzama Gorge). It also forms part of the broader area of the Pondoland Centre of Endemism. It also contains bulk of population of *Lydenburgia abbettii*, the rarest tree in RSA. Also contains very rich assemblages of woody plants which are endemics and rare. The Mnyameni gorge and grasslands are rich in both forest and grassland species. This gorge is in a very good condition with clear water and naturally functioning estuary mouth. The gorge forests are also in a good state. It contains *Jubaeopsis cafra* only known form the north bank of this estuary and the Msikaba River. This area comprised good Grassland and Hygrophylous Grassland to the west.
- Mtamvuna River mouth expansion - This is an expansion of the existing KZN Nature Reserve, Umtamvuna towards the mouth of the Mtamvuna River. The area includes both shores of the river, whereas the current reserve is on the KZN side of the river. Although mostly outside of the study area it is an essential Pondoland Priority Area. This area contains at least 1450 species including a good proportion of Pondoland Centre Endemics. The area also contains river gorges which are rich in woody endemics. Grasslands, although heavily grazed still contain up to 80 endemic species. From an invertebrate point of view this area has a high diversity with a number of Pondoland endemics as well as KZN south coast endemics.



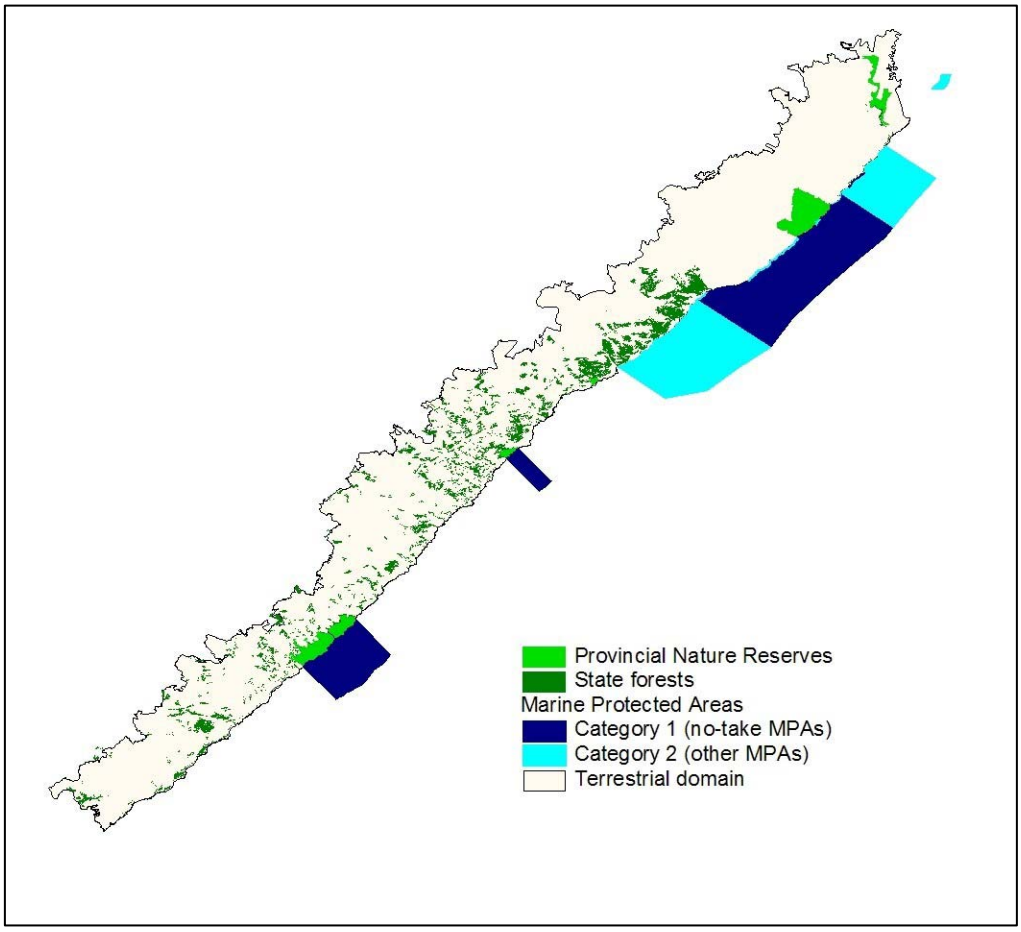
3. The Wild Coast protected area estate

28. The Wild Coast has several types of protected areas which vary in terms of their management, as well as the constraints and opportunities they offer to conservation in the region. These protected areas include:

- *Provincial Nature Reserves* which are managed as formal protected areas by the Eastern Cape Parks Board (ECPB) in terms of the Protected Areas Act of 2003;
- *Trust Forests*, which are indigenous forests that were either reserved for forestry under the Native Trust and Land Act or demarcated as State Forests and are managed by the national Department of Water Affairs and Forestry (DWAF);
- *Coastal Conservation Area,* which is a 1-km strip of limited development along the coast established in terms of the Transkei Environmental Decree (1992). DEAET is responsible for the implementation of this legislation; and
- *Marine Protected Areas* which are managed by DEAT: MCM under the Marine Living Resources Act.

3.1 Provincial Nature Reserves

29. The provincial nature reserves in the Wild Coast are proclaimed in terms of the National Environmental Management: Protected Areas Act (2003) and are managed by the Eastern Cape Parks Board in terms of the Provincial Parks Board Act (2004). The draft Eastern Cape Provincial Environmental Conservation Bill will further reinforce the protected area status of these reserves. There are currently 5 provincial nature reserves in the Wild Coast.



Map 6. Distribution and legal status of the protected areas in the Wild Coast

3.1.1 Dwesa and Cwebe Nature Reserves

30. The adjacent Dwesa and Cwebe Provincial Nature Reserves are located on either side of the estuary of the Mbashe River. Dwesa Nature Reserve is approximately 3,500 ha in extent and Cwebe Nature Reserve 2200 ha. Dwesa Nature Reserve is estimated to comprise roughly 80% indigenous forest and 20% grassland or other habitat types, while the ratio in Cwebe is considered to be roughly 50:50. In general indigenous forest covers the inland areas of the reserves, with a narrow strip of coastal grassland bordering the coast. The Dwesa and Cwebe Forests were established as Demarcated State Forests in 1891 and 1893 respectively. From establishment until 1978 the forests were managed by forestry departments, first under the South African, and then under the Transkei 'bantustan' administration. Since 1978 the reserves have been managed by Nature Conservation Departments, first in the Transkei and since 1994 under the Eastern Cape Provincial Government. In 1975, Dwesa and Cwebe were established as Nature Reserves in terms of the Transkei Nature Conservation Act No.6 of 1971, but retained their status as Demarcated State Forests. In 1992 the reserves were renamed as National Wildlife Reserves in terms of the Transkei Environmental Decree of that year. In 1994 the reserves reverted back to the Republic of South Africa, again retaining their status as Demarcated State Forests and Provincial Nature Reserves.

31. On 10 July 1996 the communities of Dwesa-Cwebe lodged a claim for the restitution of land rights according to the restitution of Land Rights Act No. 22 of 1994. Negotiations with the state were initiated for restitution of the Reserve. The relevant parties reached agreement on the terms and conditions of the settlement

of the communities claim and the land claim was settled in June 2001. The land was awarded to be held in ownership by the Dwesa-Cwebe Land Trust. Broadly, in terms of the agreement, the land currently used as a nature reserve continues to be used as such in perpetuity; and the nature reserve is managed jointly by the claimants and nature conservation authorities for mutual benefit. Despite this ground-breaking agreement, the capacity of the reserve management and the local communities to maintain the co-operative governance arrangements and to develop tourism and other protected area enterprises has been weak to non-existent.

32. Although commercial exploitation was stopped long ago, subsistence utilization by local people has occurred on an ongoing basis. Local people seem to have a clear preference for indigenous species, mainly used in the construction of live-stock kraals and human dwellings and so the exotic tree wood lots established in and around the Reserves, have not been effective. Presently neighboring individuals are herding their cattle into the protected area to graze. Local people are permitted to harvest thatching grass. During the period 1978 to 1994 the Marine Protected Area, including the rocky inter-tidal zones, was totally protected through strong law enforcement. After 1994 local people however increasingly began to challenge and protest the fact that they did not have access to inter-tidal resources. Although there has been a "moratorium" on the harvesting of inter-tidal resources by local community members, a large number of people continue to gain access to the inter-tidal areas and at times large amounts of organisms, mainly brown mussels, are harvested.

3.1.2 Hluleka Nature Reserve

33. Hluleka is a small coastal reserve situated at the mouth of the Hlukela River. It covers an area of approximately 450 ha and is bounded by the Mnenu River to the north and the Mtakatye in the south. Hluleka is made up of two forest reserves, Congwane-Mtombo Forest Reserve and Ndabeni-Hluleka Forest Reserves. The reserve comprises a complex mosaic of forest, thicket and grassland. The reserve is approximately 2 km wide and includes approximately 5 km of coastline which is protected as a marine reserve. A small portion of the reserve was proclaimed forest area in 1906. In 1975, Hluleka was established as a Nature Reserve in terms of the Transkei Nature Conservation Act No.6 of 1971, but retained its status as Demarcated State Forests. In 1992 the reserves were renamed as National Wildlife Reserves in terms of the Transkei Environmental Decree of 1992. In 1994 the reserves reverted back to the Republic of South Africa, again retaining their status as Demarcated State Forests and Provincial Nature Reserves. There is currently confusion about ownership rights due to a pending restitution claim on the reserve. The reserve has good relations with local communities and, despite its small size, is a major employer in the region. The major threat to the reserve is the uncontrolled spread of invasive alien plants.

3.1.3 Silaka Nature Reserve

34. Silaka Nature Reserve is situated approximately 7 km south west of Port St. John. It is approximately 340 ha, the remainder of once a much larger conservation area. The reserve comprises a complex of grassland, thicket and coastal forest. The area was not formally proclaimed as a reserve in terms of the Transkei Environmental Decree of 1992 because a small portion (16,032 ha) of the land along the coast consists of an erf owned by the municipality of Port St Johns which failed to donate the land to the State, although it had agreed in 1982 to do so. The State-owned erf no. 764 has been reserved for use as a nature reserve through the issue by the former Department of Local Government and Land Tenure of reservation certificate reference 12/11/2/019/102 of 5 May 1982. The regional and tribal authorities agreed in 1983 to the use of portions of Caguba Administrative Area No. 5 as a nature reserve and this was fenced in 1984. The Director of Forestry also approved the inclusion of portions of the Mount Thesiger and Ntlolowa forest reserves which were fenced into the reserve in 1984. There is still uncertainty on whether a legitimate land claim has been lodged. The major threats to the area include the uncontrolled spread of invasive alien plants, the poaching and illegal harvesting of biological resources, the upstream afforestation and cultivation of the catchment area and domestic animals.

3.1.4 Mkhambati Nature Reserve

35. Mkambati Nature Reserve is bounded by the Mtentu river to the north and the Msikaba river in the south, with approximately 12 km of coastline forming the eastern limit. The only non-natural boundary is the inland fence in the west. The width of the reserve ranges from 5,5 - 8,2 km and it covers an area of 7720 ha. The reserve incorporates areas of coastal grasslands, forests and swamp forests. In 1922, Mkambati was reserved as a leper settlement. In 1976, the leprosy institution was closed and the land was transferred to the Transkei Department of Agriculture and Forestry. Approximately 6,130ha of this land was proclaimed as a nature reserve in 1977 in terms of the Transkei Conservation Act of 1971. The reserve was run by a company called Mkambati Game Reserve (Pty) Ltd until 1991 when the company was dissolved. The reserve management reverted to the Transkei Department of Agriculture and Forestry and then, in 1994, to DEAET. A land claim was lodged by the Mkambati Land Trust (MLT) in terms of the provisions of the Restitution of Land Rights Act, 1994. The land was restored to the MLT in November 2004. Broadly, in terms of the agreement, the state hands over the ownership of the nature reserve to the MLT representing the claimants; the land currently used as a nature reserve continues to be used as such in perpetuity; and the nature reserve is managed jointly by the claimants and nature conservation authorities for mutual benefit. Local communities harvest thatching grass and collect fuel wood and construction material from designated woodlots in the reserve.

3.2 Trust Forests

36. According to the National Forests Act of 1998, all forests in the former Transkei that were either reserved for forestry under the Native Trust and Land Act or demarcated as State forests under any previous forestry legislation are classified as Trust Forests. These trust forests have the same status as other State forests in South Africa. Within the Wild Coast there are approximately 50,000 ha of indigenous forest, comprising 687 discrete patches, of which 46,245ha are DWAF managed State forests. The remaining smaller patches of indigenous forest are under the control of local tribal authorities and referred to as Headman's forests. These Indian Ocean Coastal forests are sub-divided into six subtypes: Pondoland Coast, South Coast, Dune, Swamp, Coast Scarp and Mangrove forests. The Directorate: Indigenous Forest Management (D:IFM) is responsible for the management of indigenous State forest. As the underlying land tenure is communal, the approval of certain arrangements such as granting of servitudes or the leasing of State forest land requires the agreement of the community and the Minister of Land Affairs. Although the consumptive use of forests for commercial purposes generally requires a permit from DWAF, an exemption applies to communities who use the forests to gather produce for domestic, cultural, health or spiritual reasons. The D:IFM of DWAF have developed and adopted a Participatory Forest Management (PFM) policy in which management agreements are developed between DWAF, local communities and other stakeholders to administer agreed sustainable levels of forest use and benefit sharing. These management agreements may range from simple memoranda of understanding to more complex legal agreements such as the legally-binding community forestry agreements provided for in the Act. Despite the ongoing development of community forestry agreements, with support from external funding agencies in developing the PFM processes, the indigenous forests are still under ongoing pressure from local communities for provision of fuel wood, supply of construction materials, clearing for crop production and fire damage along forest margins.

3.3 Coastal Conservation Area

37. The entire coastal zone, a 1km strip along 250km of coastline, of the former Transkei 'homeland' is a declared Coastal Conservation Area (CCA). The CCA was established in an attempt to protect the environmentally sensitive zone from uncontrolled development activities. The enabling legislation, the Transkei Environmental Decree of 1992, essentially introduced a form of environmental moratorium on development within the coastal zone. Any development within 1000m of the high water mark or within 1000m of a river was subject to permission from the then Department of Agriculture and Forestry. Following the reincorporation of the Transkei into the Eastern Cape Province, the Chief Directorate: Environmental Affairs of the provincial Department of Economic Affairs, Environment and Tourism (DEAET) became the agency responsible for the implementation of this legislation. The CCA is not surveyed or demarcated in any way. It extends over all types of State land found in the coastal zone, which in most cases comprise communal land, State forest land and resort

land.

38. A number of planning initiatives have sought to provide a regulatory framework to guide development within the CCA. In 2001, the Wild Coast Tourism Development Policy (WCTDP) was gazetted as the official policy of DEAET and provides policy guidelines for the promotion, facilitation and regulation of tourism development in the CCA. The policy consists of five sections:

(ii) Identification of key tourism, environmental, institutional and community issues;

(iii) Tourism policy guidelines that make provision for nodal development based on "first order' (extensive development) and 'second order' (low intensity development) 'nodes' and 'ecotourism/low impact (small site-based developments) tourism zones';

(iv) Environmental policy guidelines that make provision for 'no development environment' (no developments), 'special control environments' (low impact tourism developments) and normal control environments' (low and high intensity developments) with specific reference to the implementation of the Environmental Impact Assessment (EIA) regulations;

(v) Institutional arrangements that regulate the administration and co-ordination of development applications in the CCA. These include the creation of a Wild Coast Technical Committee (WCTC) and a Wild Coast Development Organization (WCDO). Rather than creating a new structure, the Eastern Cape Development Corporation (ECDC) would assume the function of the WCDO in the short to medium-term while the WCTC would be chaired by DEAET. The WCTDP also provides for the establishment of 'Local Resource and Tourism Management Committees' at the municipal level and legal entities at the community level to pursue community-based tourism developments and joint ventures (CPPP's); and

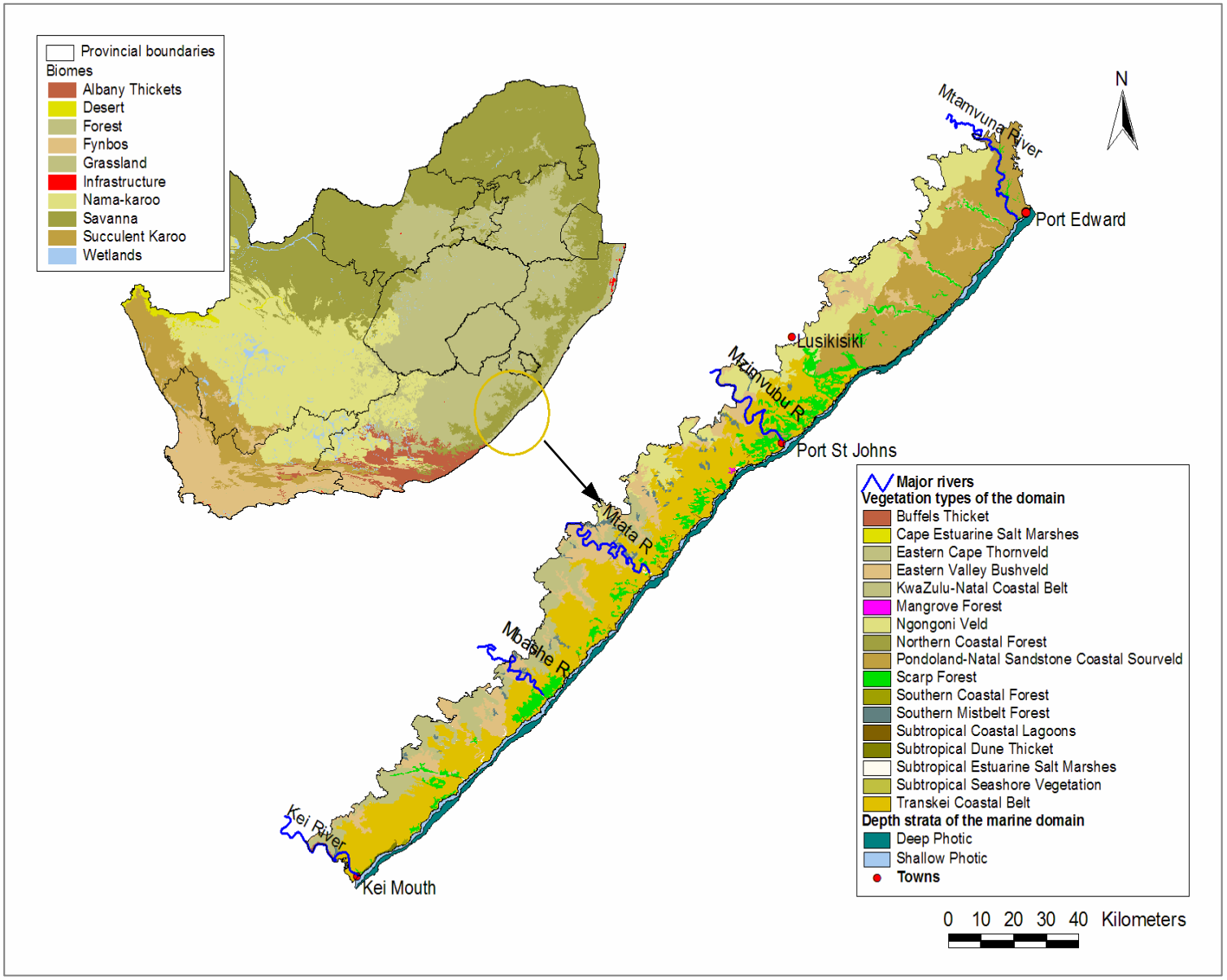
(vi) Procedural guidelines for project applications.

39. Although the statutory framework is in place to direct sustainable development in the CCA, the implementation of the WCTDP has not been without its problems. Key to this has been the lack of institutional commitment to the institutional arrangements envisaged by the WCTDP and the ongoing uncertainty around control and ownership of land within the CCA.

3.4 Marine Protected Areas

40. Three MPAs occur in the Wild Coast, the Dwesa-Cwebe MPA, the Hluleka MPA and the Pondoland MPA. The Dwesa and Cwebe Marine Protected Area and Hluleka Marine Protected Area were proclaimed in 1991 in terms of the Transkei Conservation Act of 1971, later the Transkei Environmental Decree of 1992 and, in 1994, the Marine Living Resources Act (1998). The Pondoland MPA was proclaimed in 2004 in terms of the Marine Living Resources Act. Although the Marine Coastal Management Branch (MCM) of DEAT has delegated management authority for these MPAs, there is little or no active planning, management, monitoring or enforcement being undertaken by MCM in any of the MPAs. Although DEAET do not have the delegated management authority for the administration of the Marine Living Resources Act, they currently enforce regulations within the shallow inter-tidal of the Hluleka MPA, Dwesa-Cwebe MPA and the Mkambati portion of the Pondoland MPA.

Annex 2. Map of project area



Annex 3. Stakeholder analysis and public participation plan

1. A stakeholder analysis was undertaken in the Wild Coast project area during project preparation in order to identify key stakeholders and to assess their mandates, roles, importance and influence on the project. The objectives of the analysis were to: (i) identify key stakeholders with respect to protected area management; (ii) review stakeholder interests and associated impacts on resource use, land tenure and the project; (iii) identify and mitigate possible negative socio-economic impacts on local stakeholders resulting from the project; and (iv) identify and develop opportunities for the project to benefit stakeholders. Project preparation entailed consultation with a broad range of stakeholder groups using a number of different information gathering methods, including formal and semi-formal interviews, group discussions and workshops, rapid rural appraisal and literature review.

2. Table 1 assesses the stakeholder groups in terms of their influence and their importance. The importance is understood as the objective significance of the respective stakeholder group to the potential success of the initiative. Influence, by contrast, is understood as the potential influence that the group has as a consequence of its access to socio-economic power and resources. Often, groups important to the success of a project, such as community organizations representing poor and disadvantaged communities, have relatively little influence. By contrast groups of lesser importance such as volunteer conservation groups may have significant influence by virtue of their ability to mobilize significant material resources.

Table 1: Assessment of influence upon the project of, and impact of the project on, different stakeholders

	Low influence	**High influence**
High importance	• Communities; • Traditional authorities; • South African National Biodiversity Institute; • Eastern Cape Tourism Board;	• Department of Environmental Affairs and Tourism at national and provincial level; • Eastern Cape Parks Board; • Commission for Land Restitution; • Department for Agriculture; • Department of Water Affairs and Forestry; • Department of Land Affairs; • Department of Housing and Local Government • Local Government - District (OR Tambo and Amatole) and local (Mbizana, Qaukeni, Port St. Johns, Nyandeni, King Sabata Dalindyebo, Mbhashe and Mnquma) municipalities; • Traditional authorities;
Low importance	• International NGOs • National NGOs	• Media • Donors • Development Agencies

3. The analysis identified three main groups of stakeholders, which are described in detail in Table 2 in terms of their roles and mandates, interest in and influence on the project, potential impact on the project and mitigation strategies. Briefly the stakeholder groups are:

Table 2: Key stakeholders, their roles and responsibilities, interest and impact on the project and mitigation strategies

Key Stakeholder	Role in the Wild Coast	Interest in the project	Potential Impact and Mitigation of impact
Stakeholders most able to influence project outcomes			
Department of Environmental Affairs and Tourism (DEAT) Marine & Coastal Management	• Provides policy framework and legislation relating to biodiversity conservation and tourism; • Responsible for policy, functions and regulatory oversight of coastal marine resources, this includes licensing the harvesting of fisheries and sedentary marine resources;	• Chairs the Program Steering Committee; • Expansion of protected area system to cover under-represented and important vegetation types; • Optimizing biodiversity conservation on communal lands; • Co-management of MPAs; • Sustainable Use policy; • Regulations for co-management;	• Weak on the ground capacity for co-management and enforcement; MITIGATION STRATEGY: • Devolve authority and responsibility at the appropriate level; • Establish of a Knowledge Management System to provide information via the State of Environmental Report feed-back to the Minister and Parliament.
Department of Water Affairs & Forestry (DWAF)	• Statutory responsibilities for watersheds and forestry management, policy planning and monitoring and approval of permits for development on forestry land in the public estate;	• Member of the Program Steering Committee; • More effective collaboration with DEAT at national and provincial level, with ECPB and communities; • Regulations for co-management; toolbox	• Weak on the ground capacity for co-management and enforcement; MITIGATION STRATEGY: • Communication strategy and materials about co-management – roles, responsibilities, enforcement; • Capacity building to actively participate in co-management agreements;
Department of Land Affairs (DLA) Spatial Planning and Information Provincial Land Reform Office	• Responsible for providing legislative and policy framework for land-use planning; • Responsible for tenure reform and providing policy framework for land reform; • Regulates land allocation in the limited development zone of the coastal strip and in any other communal land; • Holds land in trust for local communities and is responsible for approving any changes in land use on communal lands, though this function is increasingly being devolved to the local government	• Member of the Program Steering Committee; • Incentives to secure land for indigenous biodiversity; • Land tenure reform; • Protection of informal land rights of the local communities and working on co-management arrangements(land aspects)	• Weak on the ground capacity for integrating biodiversity concerns in spatial planning; MITIGATION STRATEGY: • Communication strategy and materials about co-management – roles, responsibilities, enforcement; • Capacity building to actively participate in co-management agreements;

Key Stakeholder	Role in the Wild Coast	Interest in the project	Potential Impact and Mitigation of impact
	sphere.		
Department of Economic Affairs, Environment and Tourism (Eastern Cape Province)	• Perform functions on behalf of DEAT and Department of Water Affairs & Forestry for enforcement of national legislation including for marine areas, discharge regulatory and operational obligations under provincial legislation including the management of provincial protected areas;	• Lead agent in the project; • Co-chairs the Program steering Committee; • Expansion of protected area system in Eastern Cape province to cover under-represented and important vegetation types; • Optimizing biodiversity conservation on communal lands in the Wild Coast;	• Weak on the ground capacity for co-management and enforcement; • The devolution of authority process is in incipient stage; MITIGATION STRATEGY: • Strengthen capacity to coordinate and monitor the enforcement of co-management agreements; • Devolve authority and responsibility at the appropriate level;
Department of Housing and Local Government	• Provide guidance in provincial and municipal planning and coordinating planning;	• Member of the Program Steering Committee; • Involvement in regional planning and development to ensure benefits for communities;	• Weak understanding of co-management principles; MITIGATION STRATEGY: • Communication strategy and materials about co-management – roles, responsibilities, enforcement;
Department of Agriculture	• Locally responsible for land acquisition and provide extension services to promote agricultural development;	• Member of the Program Steering Committee; • Diversification of farmers' livelihoods in areas adjacent to the existent and new PAs; • Conservation-friendly practices;	• Conflict between agricultural and conservation objectives; MITIGATION STRATEGY: • Build capacity of extension services to integrate conservation objectives into farm planning; • Communication strategy and materials about co-management – roles, responsibilities, enforcement;
Office of the Premier, ECSECC	• Responsible for the implementation of the Provincial Growth and Development Plan (PGDP);	• Fast-track poverty alleviation by implementing PGDP;	• Weak understanding of co-management principles; MITIGATION STRATEGY: • Communication strategy and materials about co-management – roles, responsibilities, enforcement; • Aligning PGDP projects with conservation priority areas;
District Municipalities (OR Tambo and Amatole) *Local Municipalities (*Mbizana, Qaukeni,Port St Johns, Nyandeni, King Sabata, Mbhashe Dalindyebo, and	• Responsible for development and basic needs delivery to communities in their jurisdiction and forward planning to ensure sustainability of such development;	• Member of the Program Steering Committee; • Land-use planning and service provision to the PAs;	• Siting of necessary infrastructure and allocation of funds might not be in the identified priority areas for conservation; MITIGATION STRATEGY • Development of guidelines to mainstream conservation objectives into Integrated Development Plans; • Build capacity of the local and district municipalities to integrate conservation and

Key Stakeholder	Role in the Wild Coast	Interest in the project	Potential Impact and Mitigation of impact
Mnquma)			development; • Recognize conservation as a land-use through the municipal land-use plan;
Commission for Land Restitution	• Handling land claims, validation and settlement of such claims in the Wild Coast	• Responsible restitution and post restitution assistance to land claimants;	• Backlog of restitution claims MITIGATION STRATEGY • Strengthen capacity to integrate conservation concerns; • Communication strategy and materials about co-management – roles, responsibilities, enforcement;
Eastern Cape Parks Board	• The province has established a provincial parks authority for the management of the conservation function in the Eastern Cape;	• Executing Agency for the project; • Direct responsibility for key project components; • Expansion of protected area system to cover under-represented and important vegetation types; • Increased revenue from the reserves; • Development within the protected areas, including new skills and logistical support; • Strengthened capacity to fulfill its mandate;	• ECPB is both the regulatory and the management authority; • Weak capacity for co-management; MITIGATION STRATEGY • Provision of support: financial and human resources to undertake project activities; • Capacity building for key staff members involved in brokering and implementing co-management agreements; • Dedicate personnel to manage and monitor the project; • Establishment of a Knowledge Management System
Eastern Cape Tourism Board	• Promotion and management of tourism operations inside public owned and managed land; • Responsibility to market and manage hospitality within nature reserves;	• More effective collaboration with ECPB and communities; • Potential partner in co-management agreements;	• Weak support to Wild Coast tourism products MITIGATION STRATEGY • Promote co-management agreements; • Capacity building for implementing co-management;
SA National Biodiversity Institute	• Providing guidance and promoting bio-regional planning;	• Member of Program Steering Committee • Biodiversity management • Guiding bio-regional planning	No impact
Stakeholders who will be most affected by the project			
Local communities	• Primary resource users and de-facto land owners; • Dependant on land and natural resources in the Wild Coast and are primary stakeholders in ensuring that any decisions taken are implemented;	• Improved collaboration with the relevant authorities on co-management; • Potential employment opportunities and/or other sources of income; • Recipient of project funds; • Rural livelihoods based on natural resources	• May feel threatened by the project's outcomes, decision making powers on strategy development and action plans; • Weak capacity to act as a partner in negotiation of management agreements; MITIGATION STRATEGY • Project will facilitate capacity building activities in

Key Stakeholder	Role in the Wild Coast	Interest in the project	Potential Impact and Mitigation of impact
			co-management; • Communication strategy and materials translated in local language about co-management – roles, responsibilities, enforcement; • Development of micro-enterprises based on sustainable use of resources; • Conflict resolution;
Traditional Leadership	• Administer and manage communal land and promote development in their respective areas of jurisdiction	• Member of the Program Steering Committee • Improved collaboration with the relevant authorities on co-management; • Potential employment opportunities and/or other sources of income;	• May feel threatened by the project's outcomes, decision making powers on strategy development and action plans; • Weak capacity to act as a partner in negotiation of management agreements; MITIGATION STRATEGY • Project will facilitate capacity building activities in co-management; • Create a mechanism to maintain relationships and contribute constructively on co-management agreements; • Communication strategy and materials translated in local language about co-management – roles, responsibilities, enforcement; • Development of micro-enterprises based on sustainable use of resources;
Fisheries Committees	• Subsistence fishing community members;	• Improved collaboration with the relevant authorities on co-management; • Potential employment opportunities and/or other sources of income;	• May feel threatened by the project's outcomes, decision making powers on strategy development and action plans; • May loose access to some of the fishing areas; MITIGATION STRATEGY • Project will facilitate capacity building activities in co-management; • Communication strategy and materials translated in local language about co-management – roles, responsibilities, enforcement; • Development of micro-enterprises based on sustainable use of resources; • Develop alternative sustainable livelihood projects;
Wild Coast Cottage owners and Wild Coast	• Land owners and holiday home owners in the Wild Coast;	• Biodiversity management, tourism development;	• May feel threatened by the project's outcomes; • May need to pay a fee to the protected area

Key Stakeholder	Role in the Wild Coast	Interest in the project	Potential Impact and Mitigation of impact
Hotel Owners Association			authority; • Profit from biodiversity without adequately providing in cash or in kind for its ongoing conservations; MITIGATION STRATEGY • Communication strategy and materials about co-management – roles, responsibilities, enforcement; • Market-based fee structures for usufruct rights
Stakeholders whose influence on, and impact from the project are negligible			
National and international NGO's (Eastern Cape NGO Coalition,TRALSO PondoCrop, WWF, WESSA, Indalo, Independent Development Trust, FFI	• Biodiversity management; • Land-use planning; • Sustainable livelihoods; • Environmental education	• Improved protected area management; • Improved partnerships and collaboration with authorities; • Capacity building activities; • Potential recipients o project funds;	• Difference of opinions over various issues; MITIGATION STRATEGY • Communication strategy and materials about co-management – roles, responsibilities, enforcement;
Local Business and SMMEs (NAFCOC, Wilderness Safaris, Mantis Collection	• Profit-based business enterprises;	• Land-use planning, tourism development and micro economic development and funding opportunities • Indirect interest in potential economic benefits arising from the project; • Opportunities for business ventures (tourism services, accommodation, etc);	• May need to pay a fee to the protected area authority; • Profit at expense of biodiversity; MITIGATION STRATEGY • The project will provide conducive environment for further responsible investment of resources • Communication strategy and materials about co-management – roles, responsibilities, enforcement;
Development Agencies and Donors DBSA, UNDP, ECDC,Independent Development Trust (IDT), Ntinga OR Tambo Development Agency, Port St Johns Development Agency	• Project promotes mission of the donors and/or development agency; • Provision of project funds;	• Fast track development and business opportunities in protected areas; • Enable benefits to flow to the communities through co-management agreements and SMME development; • Provide funding opportunities;	MITIGATION STRATEGY • Communication strategy and materials about co-management – roles, responsibilities, enforcement; • Investor mobilization;

Participation Plan

4. The process of stakeholder participation is guided by a comprehensive set of principles which are presented in Table 3.

Table 3. Stakeholder participation principles

Principle	**Stakeholder participation will:**
Value Adding	be an essential means of adding value to the project
Inclusivity	include all relevant stakeholders
Accessibility and Access	be accessible and promote access to the process
Transparency	be based on transparency and fair access to information
Fairness	ensure that all stakeholders are treated in a fair and unbiased way
Accountability	be based on a commitment to accountability by all stakeholders
Constructive	Seek to manage conflict and promote the public interest
Redressing	Seek to redress inequity and injustice
Capacitating	Seek to develop the capacity of all stakeholders
Needs Based	be based on the needs of all stakeholders
Flexible	be flexibly designed and implemented
Rational and Coordinated	be rationally planned and coordinated, and not be *ad hoc*
Excellence	be subject to ongoing reflection and improvement

5. The project will provide the following opportunities for stakeholder participation, with a special emphasis on the active participation of the local communities:

(i) Decision making – through the establishment of the Project Steering Committee, Task Teams on Protected Area Co-Management, Financing and Capacity Building, Committees for co-management for each protected area. The establishment of each structure will follow a participatory and transparent process involving the confirmation of all stakeholders; conducting one-to-one consultations with all stakeholders; development of Terms of Reference and ground-rules; founding meeting to agree on the Constitution, ToR and ground-rules. Three ground rules will be considered: (a) substantive – which will establish the issues to be considered by the relevant structure; (b) procedural – which will guide the operation (meetings procedures, frequency of meetings, quorum, chairing, chairman, record keeping, decision-making); and (3) behavioral – which will guide the behavior of the participants.

(ii) Capacity building – at systemic, institutional and individual level – is one of the key strategic interventions of the project and will target all stakeholders which have the potential to be involved in brokering, implementation and/or monitoring co-management agreements. The project will target especially the institutions operating at the community level to enable them to actively participate in developing and implementing co-management agreements. There is a potential for conflict and disputes to develop within the program. These need to be anticipated and preferably prevented through appropriate process design and facilitation. In cases it will be necessary to intervene into situations of conflict, the budget makes general provision for specialist intervention on an *ad hoc* basis for this purpose.

(iii) Communication - will include the participatory development of an integrated communication strategy. The communication strategy will ensure that difficulties of accessibility associated with language, access to technology and literacy be directly addressed. Materials will be developed with the assistance of the communities and will be translated in all local languages. Community outreach teams established by the project will ensure active dissemination of information to all communities living within the planning domain. The communication strategy will be based on

the following key principles: (i) providing information to all stakeholders; (ii) promote dialogue between Wild Coast CASU and stakeholders; (iii) promote access to information; and (iv) promote a consistent image and brand for the Wild Coast Project;

6. This section outlines the participation plan for the project against the outcomes and outputs:

Outcome 1: Institutional framework and capacity to facilitate co-management systems for protected areas is in place

7. The main mechanisms for participation in this outcome will include: (i) establishment of three Task Teams to assist with ECPB, local communities and other relevant agencies in protected area co-management; (ii) community workshops; (iii) establishment of the knowledge management system; and (iv) designing and implementing a communication strategy.

Capacity of ECPB to broker and implement co-management agreements is strengthened

8. The CASU located in the Eastern region office of the Eastern Cape Parks Board will facilitate the establishment of a Task Team on Capacity Building composed of all relevant stakeholders (ECPB personnel, and other institutions in the Wild Coast which have managed co-management agreements, such as DWAF, DLA and ECDC). The Task Team on Capacity Building will: (i) Identify key performance areas that need to be addressed during the brokering and implementation of co-management agreements; (ii) identify the personnel and the skills required to broker and implement co-management agreements; (iii) establish the level of training required for each member; and (iv) develop a mechanism to track the effectiveness of training in order to change whenever it's not being effective.

Capacity of strategic key institutions to participate in co-management

9. The management and use of natural resources in the Wild Coast falls under the responsibility of a wide range of institutions such as DWAF, DEAT, DLA, ECPB, DEAET, local government and traditional leaders, private sector and others. All these role-players need to be involved in any co-management agreements that relate to their mandated responsibilities. Bilateral meetings between the ECPB and the relevant institutions will be necessary to facilitate an understanding of the need for co-management agreements and their implications. Workshops will be conducted to first establish the form and nature of co-management agreements to be established and then the required strategic institutions, their roles and responsibilities. The Task Team: Capacity Building will focus on establishing the skills requirements of such strategic institutions. Newspaper notices, electronic communication, written communication and telephonic discussions will be used to engage stakeholders.

Knowledge Management System

10. The project will facilitate the exchange of ideas and lessons learnt between the project and other initiatives in South Africa and the region through the National Knowledge Management System housed in SANBI's Collaborative Learning Center. The Wild Coast is unique in nature and the co-management arrangements that will be developed will be reflective of such uniqueness. A "how to" kit will be designed, in consultations with various stakeholders, to provide a practical guide to the establishment and management of various types of co-management agreements as well as a set of guidelines and interventions specific for each type of co-management agreements. The project will also provide for seccondments, village to village exchange for the representative of the local governmental and traditional authorities, workshops and study tours to ensure that the lessons learnt are shared and replicated elsewhere.

Financial mechanism for protected area management in place

11. A Task Team: Financing PAs will be established to assist the ECPB in developing the financial mechanisms for the protected area management. The team may consist of DEAET, DEAT, tourism sector (private and public institutions e.g. ECTB, ECDC), Department of Finance, individual specialists and companies. The team will be mandated to look at ways of making protected areas more financially sustainable

and will consider public - private partnerships, taxes and levies, lease arrangements and other revenue generating mechanisms in each reserve and coastal conservation area, financial monitoring system and effective financial management system for protected areas.

Sustainable resource use policy developed

12. The project will establish a Task Team: Sustainable Resource Use, composed of relevant stakeholders, to facilitate the development of a resource use policy, based on input from specialists in different fields (e.g. botanists, zoologist, resource economists, ecologists, sociologists, policy makers, conservation planners, marine biologists). The purpose of this team is to develop a policy with defensible scientific argument for sustainable use of natural resources.

Increased awareness and understanding of key stakeholders about co-management agreements

13. The project will develop a communication strategy and a set of tools which will target the communities living in the priority areas. The strategy will be accompanied by a series of materials translated in the local languages. The implementation of the strategy will be facilitated by a community outreach team comprised of selected individuals from local communities across the Wild Coast. Dedicated awareness raising activities will be undertaken to increase awareness and understanding of key stakeholders about co-management. The efforts will be focused in areas where a process to broker co-management agreements has been started or where there is intent to do so. Workshops, meetings, brochures, media (newspaper notices), information sessions will be means of disseminating information to the relevant stakeholders.

Comprehensive monitoring and evaluation system

14. The key function of the M&E system which will be established by the project is to facilitate adaptive measures to improve impact and accommodate lessons emerging elsewhere. The results will be disseminated to the wider public through annual stakeholder meetings facilitated by the CASU.

Outcome 2: Management effectiveness is enhanced within a rationalized and more representative system of protected areas (IUCN category IV), operating under co-management agreements with local communities and the private sector

15. The Wild Coast protected area estate is composed of state forests, provincial nature reserves, marine protected areas and a coastal conservation area. These areas are currently managed by different public institutions such as DEAET, DWAF, DEAT and ECTB. Co-management agreements between these institutions will necessitate the rationalization and strengthening of such areas, employing a series of active participation mechanisms.

Capacity of local community structures to negotiate co-management agreements

16. The success of any co-management agreement lies on the satisfaction and consent of the parties involved. The ability for local communities to be able to negotiate their terms therefore becomes important in ensuring that they are satisfied with such terms. The ECPB will work with the Task Team: Capacity Building, local communities, traditional leaders and relevant local municipalities to identify the areas that need strengthening for local communities to understand their role in negotiating co-management agreements as well as identify the relevant community structures and individuals to be trained.

17. There are currently various community institutions (traditional leadership and its council, community trusts, ward committees and even a combination of these institutions) that operate at local community level, and they vary in influence from area to area. Not all community institutions will be relevant for co-management agreements and this may necessitate a revision of the old ones and/or establishing of the new ones. Participatory Rural Appraisals (PRA) will be used to determine and establish the relevant institution and the relevant representative members. A series of facilitated workshops and meetings will be undertaken to identify individuals that would require skills development, as well as the level and the type of skills development needed. The use of current information dissemination mechanisms such as local institutional meetings

(iimbizo), municipal notice-boards, word of mouth and community gatherings, and telephonic communication will be entertained to get community members to attend meetings and workshops.

Adaptive management planning for each protected area

18. The project provides for the establishment of small Reserve Management Teams composed of managers, scientists and representatives of the local communities which will facilitate the participatory development of conservation management plans. In some instances Co-management Committees for the protected area management will be established. Stakeholders which may be affected (communities, tourists, government agencies) and interested (research and academic institutions , individual specialists) in the plan and will be invited to attend a series of workshops focusing on various stages of the management planning process and required to comment on the draft management plans.

Active Management interventions

19. The project will support the implementation of active management interventions identified in the conservation management plan developed for each area. The CASU and reserve staff will communicate with local communities about proposed management interventions through the co-management, or other, structures and ensure that local communities benefit directly from the implementation of management activities through capacity building, employment, access to entrepreneurial opportunities.

Protected areas expanded into adjacent communal land through co-management agreements

20. The project team will undertake a series of workshops with the local communities to discuss the options for expansion, how the expansion will affect the local communities. This will raise the awareness of the communities about the expansion, its implications and laying the foundation for co-management agreements. Communities will be involved through meetings, workshops, word of mouth during negotiations of boundaries, co-management agreements, development of management plans and alternative livelihoods where existing ones will be discontinued.

Outcome 3: A functioning network of multiple resource use protected areas (IUCN category VI) is in place, and is being effectively managed in active collaboration with local communities

Rationalize the delegated management authority for protected areas

21. Key institutions (DWAF, DEAET, ECPB, DEAT, DLA, local municipalities and traditional leadership) will work together to rationalize existing protected areas in the Wild coast. A team will be drawn from these institutions to develop mechanisms for delegating the management authority to one agency with clear roles and responsibilities for conservation and management. The results of the team's work will constantly be reported directly to the institutions to get political backing and the necessary decisions and support to finalize the rationalization.

Capacity of local community structures to negotiate co-management agreements

22. The success of any co-management agreement lies on the satisfaction and consent of the parties involved. The ability for local communities to be able to negotiate their terms therefore becomes important in ensuring that they are satisfied with such terms. The ECPB will work with the Task Team: Capacity Building, local communities, traditional leaders and relevant local municipalities to identify the areas that need strengthening for local communities to understand their role in negotiating co-management agreements as well as identify the relevant community structures and individuals to be trained. There are currently various community institutions (traditional leadership and its council, community trusts, ward committees and even a combination of these institutions) that operate at local community level, and they vary in influence from area to area. Not all community institutions will be relevant for co-management agreements and this may necessitate a revision of the old ones and/or establishing the new ones. Participatory Rural Appraisals (PRA) will be used determine and establish the relevant institution and the relevant representative members. A series of facilitated workshops and meetings will be undertaken to identify individuals that would require skills development, as well as the level and the type of skills development needed. The use of current information dissemination

mechanisms such as local institutional meetings (iimbizo), municipal notice-boards, word of mouth and community gatherings, and telephonic communication will be pursued to get community members to attend meetings and workshops.

Cooperative governance structure for the coastal conservation area established

23. The coastal conservation area is the area one kilometer inland of the high water mark. It is currently a management responsibility of DEAET while DLA and the municipalities also have their own mandates related to it. The current state of its management is not satisfactory and a cooperative institution with clear roles and responsibility is indicated. This cooperative governance structure is provided for by the current Wild Coast Tourism Development Policy but requires a dedicated institution to enable and support its functioning. The Project will facilitate bilateral meetings, workshops and will work with various government institutions to set up a relevant cooperative governance institution for the coastal conservation area.

Adaptive management planning for each protected area

24. During the formulation of management plans for the state forests, local community structure and other stakeholders which may be affected (communities, tourists, government agencies) as well as interested parties (research and academic institutions, individual specialists) will be invited to attend a series of meetings focusing on various stages of the management planning process and required to comment on the draft management plans.

Active Management interventions

25. The project will support the implementation of active management interventions identified in the conservation management plan developed for each area. One of the key mechanisms for participation in this output is the establishment of the community-led monitoring and enforcement service acting in the Coastal Conservation Area. The service will be composed of members of adjacent communities who will benefit from logistical and technical support for its operation.

Protected Areas consolidated into viable management units

26. A lot of ground work needs to be carried out in consolidating the protected areas. Determination of boundaries, the extent of the area that requires consolidation, the resources in the area will all need to be documented. The Protected Area Management Task Team will facilitate a series of stakeholder workshops to discuss the options for consolidation with local communities and tourists that may be affected by the project. In addition, the teams will work with the local communities in the development of the management agreement and identifying the appropriate institutional arrangements for implementation.

Annex 4 . Threat Analysis

THREATS, ROOT CAUSES AND ACTIVITIES TABLE

Biological Impact	Root causes	Management Issues/ Key Barriers	Solutions: Interventions from Project Barrier Removal Activities	Baseline Activities
1. Threats to the biodiversity of marine protected areas				
1.1 Over-exploitation and poaching of estuarine and inshore and offshore coastal resources within 'take' and 'no-take' MPAs by subsistence, recreational and commercial fishers				
Depleted productivity of selected species (e.g. Eastern Cape Rock Lobster, Brown Mussel, Dusky Kob, White Steenbras and mangroves) Intra- and inter-specific impacts associated with selective removal of animals from ecosystem (such as abalone, oysters, red bait and crayfish) Recruitment failures in selected species (such as brown mussel) Change in community composition and structure of intertidal and estuarine areas (such as the conversion of productive mussel beds to crustose corraline dominated areas) Physical damage to intertidal and subtidal habitats (for example due to destructive harvesting techniques)	Failure of mandated institutions to meet their planning and operational responsibilities Low levels of compliance and weak enforcement capacity: existing enforcement agencies have limited or no on-the-ground presence in many areas Risks of interception and successful prosecution for illegal fishing practices are perceived to be lower than in other parts of the country. No local capacity (staff, resources and equipment) to undertake offshore patrols in MPA's Strong livelihood dependence of coastal communities abutting MPAs on intertidal and shallow subtidal marine resources: limited alternative livelihood opportunities for these communities. Fishery management efforts are dominated by conventional methods (TAC, bag limits), which are costly to administer; Income obtained per unit production from fishing in the "take' areas of MPAs is marginal, necessitating higher fishing efforts to meet target income;	**Barrier: Institutional Capacity** Integrated and coordinated decision-making both within and between government departments requires strengthening; there is poor delineation of management responsibilities and functions between different spheres of government; Mandated institutions have not established appropriate performance standards against which their activities are measured and publicly reported The deployment of staff to enforce fishing licenses, permits and bag limits is not adequate to respond to the existing pressures on the resources: the MCM offices are generally far from the MPAs and access is a severe constraint – the regulatory authority (MCM) has not delegated its management capacity for the management of MPAs to the provincial administration who currently have a staff complement in the immediate area of the MPAs The fishing committees in local communities have not been properly constituted to monitor, review and ensure compliance with agreed management strictures. There is not a culture of co-management inculcated in both communities and public institutions. **Barrier: Systemic capacity** The establishment, planning and management of the MPAs is still reactive and *ad hoc*, with little	**Barrier removal: Institutional strengthening** Strengthen capacity within the Eastern Cape Parks Board to manage and enforce MPAs; (**Output 1.1., 1.2.** and **3.1.)** Strengthen capacity of local institutions (community committees, etc) to participate in co-management arrangements. **(Output 2.1**) Reconfiguration of MPA boundaries (zoning, community consultations, proclamation/ amendment of boundaries; clarifying delegated management authorities) (**baseline, Output 2.2. and 2.3**) **Barrier Removal: Systemic Capacity:** Establish a community-led monitoring service for MPAs (**Output 3.5**) Strengthen capacity of key institutions to integrate biodiversity concerns into planning and to participate in co-management agreements (**Output 1.3.**) **Barrier removal: Management Tools** Establish operational capacity for MPAs (staffing, equipment, infrastructure, demarcation, financial mechanism) (**baseline, Output 1.6., 2.2., 2.3.**) Identify alternative livelihood options for affected coastal communities (**Output 3.6)**	Local sustainable Livelihood initiatives such as the Mussel Rehabilitation Project at Coffee Bay (MCM) Poverty Alleviation Funding, through CoastCare (beach cleanups, rehabilitation projects, environmental education, training) Marine Living Resources Fund (funds for research and operational management costs of MPA's) Establishment of new MCM offices and staff; Development of TAC's (MCM); Mariculture projects (MCM); Mangrove restoration projects (MCM and municipalities); State of South African Estuaries reporting Eastern Cape Estuaries Management Research Sub-Programme (WRC) Management Plan framework for the Pondoland MPA (MCM)

Biological Impact	Root causes	Management Issues/ Key Barriers	Solutions: Interventions from Project Barrier Removal Activities	Baseline Activities
	Some vital spawning and grow out areas for target species not included in PA estate.	strategic perspective and strong knowledge base to direct decision-making. Staff are not properly trained and equipment is not available, to undertake offshore patrols of the MPAs **Barrier: Knowledge barriers** The basic research, stock assessments and monitoring required to guide sustainable and equitable resource use of the MPAs is uncoordinated and fragmented.		
2. Threats to the biodiversity of the terrestrial protected areas				
2.1 Unsustainable harvesting of forest products (fuel wood, construction poles/posts, medicinal plants, carving wood and food) in trust forests, coastal conservation area and provincial protected areas by local communities for livelihood use, non-resident users for commercial use and visitors for recreational use				
Loss of forest productivity of selected species critical to local livelihoods (such as *Harpephyllum caffrum, Trichelia dregeana, Cassipourea gerrardii*) Changes in forest ecosystem dynamics Extirpation of highly localized species utilized as medicinal plants Reduction in wildlife numbers (notably bushpig, duiker, bushbuck, porcupine, caracal) Localised loss of faunal species	Strong livelihood dependence of proximate local communities on forest products, in the absence of viable cost-effective alternatives Cultural resistance to using alternatives to forest products such as alien wood from woodlots; Alternative wood supplies not appropriate for construction material when compared to indigenous wood, especially rot- resistant mangrove wood; Most of the area has no access to electricity, hence the ongoing dependence on fuel wood for heating and cooking; Forest goods not priced and constitute a free livelihood resource to poverty-stricken unemployed local	**Barrier: Institutional capacity** The efficacy of the PFM policy by DWAF officials is affected by the skills of *in situ* staff to mediate, enforce and monitor the resource use agreements with local communities; Local community structures are weak in some areas and unable to enforce PFM co-management agreements; DWAF are in the process of delegating management authority for indigenous forests: during this transitional period many resource use management initiatives have stalled and the number and distribution of enforcement staff has decreased. **Barrier: Systemic capacity** The indigenous forests are managed as fragmented units and do not form part of an integrated representative conservation estate; The strategic planning and management of indigenous forests is fragmented and uncoordinated leading	**Barrier removal: Institutional strengthening** Reconfiguration of indigenous forest boundaries (zoning, community consultations, proclamation/ amendment of boundaries; clarifying delegated management authorities) (**baseline, Output 2.2. and 2.3**) Strengthen capacity within the Eastern Cape Parks Board to manage the rationalized protected area estate and negotiate and implement co-management agreements (**Output 1.1. – 1.2.** , **3.1**. and **3.3.**); Strengthen capacity of local institutions to participate in co-management arrangements. **(Output 2.1.** and **3.1.)**; Design a comprehensive monitoring and evaluation System (**Output 1.9.**); **Barrier removal: Systemic capacity** Management arrangements codified and implemented for each indigenous forest; (**Output 1.4.,1.5., 2.2., 2.4., 3.4.** and	Participatory forest management agreements; Negotiation for the devolution of indigenous forests from DWAF to Eastern Cape Parks Board (staff, assets, processes, etc); Transfer of smaller forest plots and woodlots from DWAF to the province; Rural Livelihoods (RuLiv) projects; Community woodlots; Expanded Public Works Program funding (forest rehabilitation, alien clearing, clean ups, conservancies, education and awareness, communications, infrastructure and services); Working for Water Coastcare

Biological Impact	Root causes	Management Issues/ Key Barriers	Solutions: Interventions from Project Barrier Removal Activities	Baseline Activities
	communities; Health service outreach has not reached many rural communities and there is still a strong dependence on traditional medicines; Strong commercial demand nationally for medicinal plants used in traditional healing; Open access system for visitors to, and users of, the forest areas; Increasing commercial demand for rare plants by collectors; Many land claims for state forests not processed leading to a lack of clarity of the 'ownership' of the forest resources: transition in land tenure arrangements is preventing institutions from committing adequate resources to effectively manage sustainable development and resource use	to unsustainable use and inappropriate developments; Communication tools and materials are often not tailored to local community needs and constraints; There is little or no collaboration and cooperation between DWAF and other conservation agencies in the development and implementation of conservation, education, tourism and community development projects to realize overall conservation and sustainable resource use objectives; The widely dispersed nature of settlements precludes the likelihood of providing health and electrical services to many rural communities in the short- to medium-term. **Barrier: Knowledge barriers** Knowledge barriers regarding the definition and management of sustainable use of forest products include off take thresholds, inter-specific impacts, and options for restoration/ rehabilitation. **Barrier: Management tools** Cultural resistance, practical limitations of woodlots and the dispersed nature of settlements across the landscape reduce the efficacy of woodlots to address the needs for fuel, construction and carving materials.	**3.7**.); **Barrier removal: Sustainable use** Sustainable use policy developed (**Output 1.7**); Micro-enterprises based on sustainable use of wild resources established (**Output 3.6.**); **Barrier removal: PA Management Tools** Active management interventions: alien control, fire management requirements, rehabilitation of indigenous forests (**Output 2.3.** and **3.5.**); Targeted communication strategy around the communities living around priority forests: target local councilors, traditional leaders, municipal officers (**output 1.8.**)	Regulations for enactment of Communal Land Rights Act CBNRM programs
2.2 Habitat degradation is occurring in multiple resource use protected areas through: (i) illegal cottage and tourism developments; (ii) inappropriate and unsustainable coastal developments; (iii) spread of invasive alien plants; (iv) overgrazing of grasslands and associated compensatory burning; (iv) land clearing for agriculture, settlements and community forestry; (vi) off-road driving; and (vii) sand-mining				
Change in species composition (as a result of overgrazing and short burning cycles) Loss of productivity of grasslands (as a result of overgrazing, inappropriate burning cycles and invasive	Strong dependency of local communities on subsistence agriculture and livestock husbandry to sustain livelihoods; Transition in land tenure arrangements is preventing institutions from committing	**Barrier: Institutional capacity** Support services for agricultural extension to local communities has been too diffuse to effect behavioral changes; Enforcement/management staff for a number of functions (e.g. mining permits, agricultural extension, ORV	**Barrier removal: Institutional strengthening** Rationalise delegated management authority for managed resource use protected areas (**Output 3.1)** Establish co-operative governance structure for CCA (**Output 3.3)**	IDP review (SDF and land-use management systems); Municipal mentoring, training and capacity building Program (CONSOLIDATE) LandCare Program

Biological Impact	Root causes	Management Issues/ Key Barriers	Solutions: Interventions from Project Barrier Removal Activities	Baseline Activities
alien plants) Altered hydrological cycles (as a result of invasive alien plants) Fragmentation of habitats (as a result of coastal developments, road developments, illegal cottages, agricultural developments and spread of human settlements) Disturbance of ecologically sensitive areas (as a result of inappropriate developments and services, spread of human settlements, agricultural developments and illegal cottages) Erosion (as a result of invasive alien plants, off-road driving, poor agricultural practices and inappropriate developments) Loss, or disturbance, of habitat of select faunal and floral species (as a result of inappropriate coastal developments, agricultural spread, off road driving, sand mining and invasive alien plants)	adequate resources to effectively manage sustainable development and resource use Grazing and agricultural management focused on yielding optimal, not sustainable, returns; Forest lands and wetlands more fertile than denuded old land; cheaper to use forest lands than purchasing fertilizers; Cultural values of cattle are high (repository of wealth); Increasing demand for access to land for settlement; Land degradation, provides habitat for colonization with invasive alien species (IAS); Pressures for coastal developments as mechanisms for alleviating poverty results in inappropriate and unsustainable developments; Risks of interception and successful prosecution of illegal activities are perceived to be quite low; Enabling legal framework for directing land use development and management in the coastal areas lacks clarity in key areas (such as defining outer boundaries of development nodes);	control) not located on site; Unclear agencies' mandates and limited collaboration, results in unfocussed and ineffective conservation actions, land management planning and enforcement; Deployment of sustainable resource use management programs, and associated staff complement, not distributed equally across landscape; Weak forward land use planning capacity in local authorities inhibits the ability to guide and direct responsible and sustainable coastal development. **Barrier: Systemic capacity** Regulatory framework and incentives to enlist community involvement in resource management on communal lands has not been properly developed; Regional and local spatial and strategic development plans do not adequately accommodate sustainable resource use and development principles; Sustainable habitat management measures not properly integrated into IDPs; Legal system for prosecution is slow, with low priority given to environmental issues; Weak understanding of local communities and visitors of the natural resource values; Enabling legal framework requires modernization.	Strengthen capacity within the Eastern Cape Parks Board to manage the rationalized protected area estate and negotiate and implement co-management agreements (**Output 1.1**); Develop and train a community outreach team and monitoring team (**Output 1.8** and **3.5)** Strengthen capacity of local institutions to participate in co-management arrangements. **(Output 2.1.** and **3.1.)**; Design a comprehensive monitoring and evaluation System (**Output 1.9.)**; Strengthen municipal and land affairs capacity to integrate conservation into the IDP (**Output 1.3.**). **Barrier removal: Systemic capacity** Management arrangements codified and implemented for each protected area; (**Output 1.4.,,1.5., 2.2., 2.4., 3.4.** and **3.7**.); Communication strategy developed and materials translated in all local languages (**Output 1.8.**). **Barrier removal: Sustainable use** Sustainable use policy developed (**Output 1.7**); Micro-enterprises based on sustainable use of wild resources established (**Output 3.6.**). **Barrier removal: PA Management Tools** Active management interventions: alien control, fire management requirements, boundary survey, rehabilitation (**Output 2.3.** and **3.5.**).	Illegal Cottages Task team EIA regulations Working on Fire ORV regulations Transportation planning Institutional structure for co-ordination of Wild Coast Tourism Development Policy; Working for Water Program; Working for the Coast; Expanded Public Works Program (road construction, infrastructure development, water supply, health services, alien clearing, rehabilitation, fire management, monitoring program, erosion control) Provincial Growth and Development programs (agriculture, tourism, environment) Provincial Growth and Development Plan Rural sustainable development program CBNRM programs EU-funded community tourism enterprises Establishment of environmental court/s Regulations for enactment of Communal Land Rights Act Regularisation of sand mining

Annex 5. Replication Plan

1. The Project has been designed based on a detailed identification and analysis of barriers to effective management of the protected areas in the Wild Coast, and more broadly, to address management deficiencies and opportunities in the South Africa System of National Protected Areas. The Wild Coast provides an excellent laboratory for testing the achievements of conservation objectives on communal lands. A replication strategy will form an important component of the full project. This will ensure lessons learnt and best practice are actively disseminated to inform conservation initiatives focusing on co-management models on communal lands throughout South Africa and wider Southern Africa region.

Strategy	Anticipated replication strategy
Outcome 1: Institutional framework and capacity to facilitate co-management systems for PAs is in place	The capacity of the Eastern region of the Eastern Cape Parks Board to broker and implement co-management systems in protected areas will be strengthened, providing a mechanism to replicate good practice throughout the entire Eastern Cape PAs, as well as improving co-management systems at a systemic level. The set of guidelines for mainstreaming conservation and co-management into Integrated Development Plans: developed as part of this outcome will be shared and finalized in a series of workshops at regional and national level with all the relevant municipalities and authorities in Eastern Cape and wider South Africa. The Knowledge Management System (KMS) on co-management established by the project will enable the exchange of ideas and lessons learnt between and within government departments and between the project and other initiatives in South Africa and in the region through the National Knowledge Management System housed in SANBI's Collaborative Learning Center. It will also benefit from SANBI's national and regional network of conservation practitioners to optimize outreach potential. The representative of local government and traditional authorities will benefit from village to village exchange of co-management lessons. The project provides for guidance materials, secondments, and study tours to ensure that the lessons learnt are shared and replicated elsewhere. The regulations for co-management of protected areas which will be developed by the project in the Wild Coast have the potential to be used elsewhere in the region and across rural areas of southern Africa. The financial mechanisms for protected areas will explore and adopt innovative sources of income for co-management, as well as the required legal framework for their implementation contributing to the sustainability of the co-managed areas. These mechanisms will be shared via the KMS with the wider network of governmental, non-governmental and private sectors involved in protected area management. The Sustainable Resource Use policy guidelines developed during the project will provide a model to be replicated elsewhere; the information on the policy will be distributed via KMS and consultations with communities and authorities supported by the project The Monitoring and Evaluation system will improve impact and accommodate lessons emerging elsewhere. This includes the identification of mechanisms and processes which are working and therefore are ready to be replicated and the modification of what is not working in order to achieve the project objectives. In addition, the independent evaluation scheduled during project life (year 2 and 4) will be tasked with the identification of determinants of success for project activities.
Outcome 2: Management effectiveness is enhanced within a rationalized and more representative system of strict protected areas, operating under co-management agreements with local communities and the private sector.	The multidisciplinary reserve management teams established by the project will provide a model for new partnerships in developing conservation management plans for nature reserves and marine protected areas, which could be replicated elsewhere. Key results on mechanisms to improve management effectiveness will be fed back through the State of Environmental Report via the KMS to the Minister and Parliament.
Outcome 3: A functioning network of managed resource use protected areas is in place, and is being effectively managed in active collaboration with local communities	The community-led monitoring and enforcement service established by the project on a pilot basis on the Coastal Conservation Area will provide valuable lessons to be used in other similar areas in South Africa. Scientific information on sustainable off-takes will be made available to be used on the Eastern South African coastline ecosystems; The results of the second order economic study commissioned by the project will facilitate the development of sustainable livelihoods strategies based on resource use in co-managed areas and create new opportunities for access and benefit sharing will be distributed through the State of Environmental Report via the National KMS to the Minister and Parliament. The enforcement economics analysis commissioned under the project to define the optimum intensity of enforcement would provide a replicable tool to be shared with conservation practitioners via the KMS.

2. The South African National Biodiversity Institute (SANBI) will provide three complementary mechanisms to facilitate information-sharing, project co-ordination, cross-project synergies, knowledge management and capacity building between this project and other bioregional programs/projects and associated GEF projects in the Eastern Cape Province, South Africa and southern Africa:

(i) At a provincial level, SANBI have established the Eastern Cape Implementation Committee to facilitate and support the implementation of large-scale conservation projects and bioregional programs (e.g. STEP, CAPE, SKEP, Baviaanskloof Mega-Reserve, Great Fish Project, Drakensberg-Maluti TFCA, Wild Coast Program, Grassland Program and Garden Route Conservation Project) within the Eastern Cape Province.

(ii) At a national level, SANBI has established the National Bioregional Forum as a structure to enable exchange of ideas and lessons learnt, share resources and facilitate cross-project synergies between coordinators and implementers of bioregional programs across South Africa. A similar Bioregional Forum, initiated and supported by SANBI, already exists for the co-ordination of the spatial planning and spatial products developed during Bioregional Program development across South Africa.

(iii) At a national level, SANBI is also establishing a National Knowledge Management System, housed in SANBI's Collaborative Learning Centre, to house and disseminate lessons learnt and exchange ideas between biodiversity conservation projects across southern Africa.

(iv) Annex 6. Monitoring and Evaluation Plan

1. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the Wild Coast CASU and the UNDP Country Office (UNDP-CO) Pretoria with support from UNDP/GEF Regional Coordinator. The Logical Framework Matrix in Section II of the Project Brief provides impact indicators for project implementation along with their corresponding means of verification. These will form the basis on which the project's Monitoring and Evaluation system will be built. This Annex includes: (i) a detailed explanation of the monitoring and reporting system for the project; (ii) a presentation of the evaluation system; (iii) a matrix presenting the workplan and the budget for M&E section; (iv) the Result Measurement Table; and (v) METT tables.

I. MONITORING AND REPORTING

A. Project Inception Phase

2. The CASU will conduct an inception workshop with the key stakeholders responsible for project management and implementation at the commencement of the project with the aim to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project's logframe matrix.

3. The key objectives of the Inception Workshop are to:

(i) review the logframe (indicators, means of verification, assumptions), imparting additional detail as needed;
(ii) finalize the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project;
(iii) develop specific targets for the first year implementation progress indicators;
(iv) introduce project staff with the representatives of the UNDP Country Office and the Regional Coordinating Unit (RCU);
(v) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team;
(vi) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Review Meetings, as well as mid-term and final evaluations;
(vii) inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings;
(viii) present the ToR for project staff and decision-making structures in order to clarify each party's roles, functions, and responsibilities, including reporting and communication lines, and conflict resolution mechanisms;

B. Monitoring responsibilities and events

4. The CASU in consultation with relevant stakeholders will develop a detailed schedule of project reviews meetings, which will be incorporated in the Project Inception Report. The schedule will include: (i) tentative time frames for Tripartite Reviews, Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.

5. Day to day monitoring of implementation progress will be the responsibility of the Project Coordinator, based on the project's Annual Work Plan and its indicators. The CASU will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective

measures can be adopted in a timely and remedial fashion. Measurement of impact indicators related to global benefits will occur according to the schedules defined in the Inception Workshop and tentatively outlined in the indicative Impact Measurement Template at the end of this Annex. The measurement, of these will be undertaken through subcontracts with relevant institutions or through specific studies that are to form part of the projects activities.

6. *Periodic monitoring of implementation progress* will be undertaken by the UNDP-CO through quarterly meetings with the CASU, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities. UNDP Country Offices and UNDP-GEF RCUs as appropriate will conduct yearly visits to the Wild Coast to assess first hand project progress. Any other member of the Project Steering Committee can also accompany, as decided by the SC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all SC members, and UNDP-GEF.

7. Annual Monitoring will occur through the Tripartite Review (TPR). This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The CASU will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments. The APR will be used as one of the basic documents for discussions in the TPR meeting. The CASU will present the APR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants and will inform the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary. The TPR has the authority to suspend disbursement if project performance benchmarks (developed at the inception workshop) are not met.

8. Terminal Tripartite Review (TTR) is held in the last month of project operations. The CASU is responsible for preparing the Terminal Report and submitting it to UNDP-CO and LAC-GEF's Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation of formulation.

C. Project Monitoring Reporting

9. The Project Coordinator in conjunction with the UNDP-GEF will be responsible for the preparation and submission of the following reports that form part of the monitoring process:

(i) Inception Report (IR) - will be prepared immediately following the Inception Workshop. It will include a detailed Firs Year/ Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan would include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up

activities and an update of any changed external conditions that may effect project implementation. The finalized report will be distributed to the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit and after that to the project counterparts who will be given a period of one calendar month in which to respond with comments or queries.

(ii) Annual Project Report (APR) - is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. It is a self -assessment report by project management to the CO and provides input to the country office reporting process and the ROAR, as well as forming a key input to the Tripartite Project Review. An APR will be prepared on an annual basis prior to the Tripartite Project Review, to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The format of the APR is flexible but should include:

- An analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome;
- The constraints experienced in the progress towards results and the reasons for these;
- The three (at most) major constraints to achievement of results;
- Expenditure reports;
- Lessons learned;
- Clear recommendations for future orientation in addressing key problems in lack of progress.

(iii) Project Implementation Review - is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project. The PIR can be prepared any time during the year and ideally prior to the TPR. The PIR should then be discussed in the TPR so that the result would be a PIR that has been agreed upon by the project, the executing agency, UNDP CO and the concerned RC. The individual PIRs are collected, reviewed and analyzed by the RCs prior to sending them to the focal area clusters at the UNDP/GEF headquarters. The focal area clusters supported by the UNDP/GEF M&E Unit analyze the PIRs by focal area, theme and region for common issues/results and lessons. The TAs and PTAs play a key role in this consolidating analysis. The focal area PIRs are then discussed in the GEF Interagency Focal Area Task Forces in or around November each year and consolidated reports by focal area are collated by the GEF Independent M&E Unit based on the Task Force findings

(iv) Quarterly Progress Reports - Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the CASU. The format will be provided.

(v) Periodic Thematic Reports - As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the CASU will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team;

(vi) Project Terminal Report - During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved structures and systems

implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities;

II. INDEPENDENT EVALUATION

10. The project will be subjected to at least two independent external evaluations as follows:

(i) Mid-term Evaluation - will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

(ii) Final Evaluation - will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Audit Clause

11. The Department of Environmental Affairs and Tourism will provide the UNDP Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the DEAT, or by a commercial auditor engaged by the Government.

III. INDICATIVE MONITORING AND EVALUATION WORKPLAN AND CORRESPONDING BUDGET

12. Table 1 present an indicative M&E workplan and corresponding budget.

Table 1: Indicative Monitoring and Evaluation Work plan and corresponding budget

Type of M&E activity	**Responsible Parties**	**Budget US$** *Excluding project team Staff time*	**Time frame**
Inception Workshop	▪ Project Coordinator ▪ UNDP CO ▪ UNDP GEF	10,000	Within first two months of project start up
Inception Report	▪ Project Team ▪ UNDP CO	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	▪ Project Coordinator will oversee the hiring of specific studies and institutions, and delegate	40,000 To be finalized in Inception Phase and Workshop.	Start, mid and end of project

	responsibilities to relevant team members	Indicative cost	
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis) + workshop for dissemination	▪ Oversight by Project GEF Technical Advisor and Project Coordinator ▪ Measurements by regional field officers and local IAs	115,000 To be determined as part of the Annual Work Plan's preparation.	Annually prior to APR/PIR and to the definition of annual work plans
Conduct METT	▪ CASU and consultant	5,000	Mid-term and end
APR and PIR	▪ Project Team ▪ UNDP-CO ▪ UNDP-GEF	None	Annually
TPR and TPR report	▪ Government Counterparts ▪ UNDP CO ▪ Project team ▪ UNDP-GEF Regional Coordinating Unit	None	Every year, upon receipt of APR
Steering Committee Meetings	▪ Project Coordinator ▪ UNDP CO	None	Following Project IW and subsequently at least once a year
Periodic status reports	▪ Project team	10,000	To be determined by Project team and UNDP CO
Technical reports	▪ Project team ▪ Hired consultants as needed	15,000	To be determined by Project Team and UNDP-CO
Mid-term External Evaluation	▪ Project team ▪ UNDP- CO ▪ UNDP-GEF Regional Coordinating Unit ▪ External Consultants (i.e. evaluation team)	20,000	At the mid-point of project implementation.
Final External Evaluation	▪ Project team, ▪ UNDP-CO ▪ UNDP-GEF Regional Coordinating Unit ▪ External Consultants (i.e. evaluation team)	30,000	At the end of project implementation
Terminal Report	▪ Project team ▪ UNDP-CO ▪ External Consultant	None	At least one month before the end of the project
Lessons learned	▪ Project team ▪ UNDP-GEF Regional Coordinating Unit	15,000 (average 3,000 per year)	Yearly
Audit	▪ UNDP-CO ▪ Project team	15,000 (average $3,000 per year)	Yearly
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	▪ UNDP Country Office ▪ UNDP-GEF Regional Coordinating Unit (as appropriate) ▪ Government representatives	15,000 (average one visit per year)	Yearly
TOTAL INDICATIVE COST *Excluding project team staff time and UNDP staff and travel expenses*		US$ 290,000	

IV. RESULT MEASUREMENT TABLE

13. Table 2 lists the main impact indicators used, along with the justification for their choice and institutional responsibility for monitoring the indicators

Table 2 – Main indicators, rationale and responsibility for monitoring

Level	Performance Indicators	Rationale	Responsibilities
National Goal	1. National conservation targets for protected areas: • Protection levels of terrestrial ecosystems by biome and vegetation types >8% • Protection levels of marine biozones in inshore region >20%	The determination of conservation targets by the NSBA provides an indication of how much of each biome/biozone must be conserved to ensure the representation and persistence of biodiversity in a region.	Service contract managed by SANBI Year 3 and 6
Project objective	1. Increase of protected area coverage through strategic additions to the conservation estate: • Increase in the extent (ha) of provincial protected areas • Increase in the extent (ha) of terrestrial managed resource use protected areas By year 3, the provincial protected areas (or equivalent) will increase to 26,000ha while managed resource use protected areas will increase to 56,000ha. By EOP, the terrestrial conservation estate will be increased to 95,000ha. 2. Percentage of the priority vegetation types included into the protected area estate as a proportion of the national conservation targets for protected areas: • Subtropical Estuarine Salt Marshes • Transkei Coastal Belt • Pondoland-Natal Sandstone Coastal Sourveld • Scarp Forest • Mangrove Forest By EOP, the priority vegetation types contribute at least 10% of the national conservation targets for protected areas. 3. Compatibility of economic returns (Rands/ha/annum) from the inclusion of communal land into the protected area estate. By EOP, communal land should yield, on average, at least R110/ha per annum (calculated as TEV). 4. Employment returns from the inclusion of communal land into the protected area estate. By Year 3, the communal land included into the PA estate generates employment levels of at least 11,000 person days/year	1. The NSBA has provided national conservation targets for the vegetation types within each biome. The gap between these conservation targets and the actual percentage of the vegetation type protected in existing conservation areas along the Wild Coast was identified during project preparation. The extent of protection of many of the vegetation types fall far short of their targets. The values reflected in the indicators then indicate the extent and level of conservation that will be realized for these vegetation types to meet national priorities. 2. During project preparation, eight priority areas for conservation action were identified. The capacity of the communities to engage in negotiations within these priority areas was evaluated and two community structures were identified as sufficiently capacitated to initiate discussions i.r.o. options for co-management agreements. The project is targeting at least 60% of the 8 priority areas to have some form of co-management agreement in place by the end of the GEF funding phase. 3. It was clearly articulated during project preparation that it must be demonstrated to local communities that conservation is an economically viable land use that could generate direct and indirect financial returns back to communal landowners both collectively and individually. In the absence of this demonstration, local communities are generally reluctant to initiate negotiations to enter into co-management agreements. 4. In an area beset by high levels of unemployment and associated poverty, it is critical that the establishment of PAs on communal land actively contribute to creating employment and developing skills and capacity in local communities. In proactively responding to this need, communities	CASU in liaison with ECPB regional ecologist, ECPB HR Director and ECPB Chief Financial Officer. Year 1, 3 and 5;

Level	Performance Indicators	Rationale	Responsibilities
		will more amenably engage in negotiations for the incorporation of communal land into the PA estate.	
Outcome 1	1. Percentage of staffing in the eastern region of the ECPB that meet the competence and skills required for the following occupational levels: • Level 5: Director Strategic and program based • Level 4: Managerial, Project management and or high level technical • Level 3: Technical Supervisory and/ or mid-level technical • Level 2: Skilled worker, technical functions with some team leadership • Level 1: Laborer , non-technical functions By EOP, greater than 60% of staff in the eastern region of the ECPB meet the required competence and skills standards for PA management. 2. The average score of staff performance evaluations (on a performance rating of 1-5) for the eastern region of the ECPB. By year 3, average staff performance scores will exceed 2.5/5, while by EOP staff performance scores will exceed 3/5. 3. Total operational budget for recurrent operational costs: • Increase (%) of budget amount appropriated for the recurrent operational management costs of the Wild Coast PAs (through development of PA usage/concession fees, new financing mechanisms and more cost-effective HR management) • Ratio of HR costs: recurrent operations costs By year 3, the operational budget is increased by 70% and the HR: operations budget is reduced to 70:30. By EOP, the operational budget is increased by 260% and the HR: operations budget reduced to 60:40. 4. Management Effectiveness of the Wild Coast Program Management Unit % of the funded conservation and sustainable development initiatives that are integrated and aligned with the PGDP, municipal IDP's and the Wild Coast Conservation and Sustainable Development Program. (mid term target 60%; EOP target 90%)	1&2. During project preparation, the organizational restructuring of the ECPB resulted in the determination of five occupational levels for all staff. For each occupational level, the requisite competence, management skills and NQF educational standards were identified. Because over 90% of the current staff was transferred from other organs of state, posts were filled without meeting the required levels of skills and competence. To address this, a number of capacity building interventions are required and the efficacy of these interventions will also be measured through the 5-point performance evaluation system currently being developed by ECPB. 3. The current operational budget for the management of Type 1 PAs is inadequate to meet the operational and maintenance requirements of the PAs. During project preparation, a number of funding mechanisms for supplementing existing funds directed to recurrent PA expenditure were identified. Specifically, securitization of projected PA income streams, payment for environmental services by tourism operators and cottage residents and investment from conservation agreements can generate upward of R7m/ annum with very little structural or regulatory requirements. As an artifact of the apartheid 'bantustan' system, the PAs also have a large number of supernumeraries funded from the PA budget, many of whom are close to retirement age. Over time, the natural attrition of staff will allow PA management to re-allocate the current high HR numbers, and associated costs, to operational costs, thus freeing finance to address PA operational priorities, notably maintenance requirements. 4. The indicator measures the extent to which PA management objectives and programmes are aligned and coordinated with development activities in the project area.	CASU: Skills development facilitator in liaison with ECPB HR Director. Financial service contract managed by CASU and supervised by ECPB Chief Financial Officer: Year 1; 3 and 5; Final evaluation
Outcome 2	1. Increase of Management Effectiveness Tracking Tool (METT) scores for targeted protected areas: • Dwesa-Cwebe Nature reserve and MPA • Mkambati Nature Reserve • Hluleka Nature Reserve • Silaka Nature Reserve	1. The World Bank/WWF Management Effectiveness Tracking Tool has been developed to provide a quick overview of progress in improving the effectiveness of management in individual protected areas. With the currently limited	CASU in liaison with ECPB regional ecologist; Year 1; 3 and 5; Final evaluation

Level	Performance Indicators	Rationale	Responsibilities
	• Pondoland MPA By year 3, the METT scores have increased to 59, 60, 54, 60 and 52 respectively. 2. Percentage of alien infested areas in a regular, properly funded control and eradication program. By EOP, all IAS within the Type 1 PAs are part of a structured, properly funded and managed control and eradication program.	operational capacity within the Wild Coast protected areas and the dearth of good quality baseline information, the METT is quick and easy to complete by protected area staff and is easily understood by non-specialists. The METT will then provide a consistent reporting system for the protected area assessment during project implementation. 2. During project preparation, the current extent of IAS across the extent of the Wild Coast was estimated to be generally low to moderate. IAS are however considered to be a significant future threat to the biodiversity of the Wild Coast in the absence of a coordinated and funded program of initial clearing and ongoing maintenance – a case of the need for large and focused investments initially with huge financial and biodiversity savings over the medium- to long-term. High levels of infestation by IAS are documented in localized areas such as Port St. Johns while moderate levels of infestation occur in disturbed areas of PAs such as Hluleka, Silaka and Dwesa_Cwebe. IAS programs in the PA network is generally uncoordinated and sporadically funded. A directed strategic effort and dedicated investment will yield high conservation returns and reduce future cost implications.	
Outcome 3	1. Extent (ha) of communal land included into managed resource use protected area estate. By year 3, at least 6000ha is included into the PA estate 2. Number of co-management structures developed, maintained and functional on communal land in the high priority areas. By year 3, three management structures are established, maintained and functioning effectively and by EOP, six are functioning effectively. 3. Increase in METT scores for Type 2 PA's: • State Forests (excluding above PAs) • Coastal Conservation area By year 3, the METT scores are 41 and 45 respectively. 4. Numbers of co-management models for managed resource protected developed on communal lands in the Wild Coast replicated in Southern Africa. By EOP, 2 co-management models developed and tested in the Wild Coast are replicated on communal land elsewhere in southern Africa.	During preparation phase, the needs of communities within the priority areas for conservation were intimately linked to their socio-economic well being. Key success factors for the incorporation of communal land into the conservation estate were: 1&2. Developing a successful new co-management agreement which can be used as a demonstration model for other communal land owners who may be reluctant to risk engagement with PA agencies for the incorporation of land in the conservation estate. During project preparation, communal landowners at Lambasi, Amadiba and TRACOR demonstrated a willingness to test the efficacy of a co-management agreement for undeveloped land proximate to Mkambati NR. The success of new demonstration models, along with the strengthening of the existing Mkambati and Dwesa-Cwebe co-management structures should result in other communal landowners agreeing to negotiate further agreements.	CASU Year 1; 3 and 5; Final evaluation

Level	Performance Indicators	Rationale	Responsibilities
		3. The World Bank/WWF Management Effectiveness Tracking Tool has been developed to provide a quick overview of progress in improving the effectiveness of management in individual protected areas. With the currently limited operational capacity within the Wild Coast protected areas and the dearth of good quality baseline information, the METT is quick and easy to complete by protected area staff and is easily understood by non-specialists. The METT will then provide a consistent reporting system for the protected area assessment during project implementation. 4. One of the project objectives is to develop replicable best practice models for the incorporation of communal land into the PA estate without compromising communal land owners' rights to sustainable resource use and cultural use – if they are, the costs and usufruct rights must then be offset or replaced.	

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