

OFFICE MEMORANDUM

DATE: March 11, 2002

TO: Mr. Ken King, Assistant CEO, GEF Secretariat
Att: GEF PROGRAM COORDINATION

FROM: Lars Vidaeus, GEF Executive Coordinator 

EXTENSION: 3-4188

SUBJECT: **South Africa: Greater Addo Elephant National Park Project
Submission for Work Program Inclusion**

Please find enclosed the electronic attachment of the above mentioned project brief for work program inclusion. We would appreciate receiving any comments by March 20, 2002.

The proposal is consistent with the *Criteria for Review of GEF Projects* as presented in the following sections of the project brief:

- Country Drivenness: Section C4, p.14
- Endorsement: Annex 13, p.85
- Program Designation & Conformity: Section B1a, p.4
- Project Design: Annex 1, p.37
- Sustainability: Section F, p.33
- Replicability: Sections: B3.4, p.11; C3, p.13; D1, p.21; and F1, p.33
- Stakeholder Involvement: Sections: C, p.12-14; D3, p.24; and Annex 6, p.60
- Monitoring & Evaluation: Section: C4, p.18; Annex 1, p.37
- Financing Plan: Section C, p.12; Annexes: 1, p.37 and 4, p.47
- Cost-effectiveness: Sections, C, p. 13; D3, p. 24; Annex 4, p.47. (**GEF co-funding ratio of 1: 5.4**)
- Core Commitments and Linkages: Section D3, p.24
- Consultation, Coordination and Collaboration between IAs: Section D, p.21; Annex 6, p.60.

Response to GEFSEC Review:

1. *Replicability:* Sections B3.4, C3, D1 and F1 discuss the replicability issues in the project. The project is designed to provide support to the GAENP and also to SANParks taking into account its operational opportunities and constraints. Some of the components will therefore have wider application outside of SANParks in other conservation agencies inside and outside of South Africa.

2. *Sustainability:* Section F of the project document provides details of how the project will promote sustainability in various sectors in South Africa. Additionally, those critical risks which could adversely affect sustainability are addressed.
3. *Private Sector Involvement.* Section C1.5 and C3 address the issue of significant involvement of the private sector in the project. Additionally, Section D3 provides a summary of lessons learned with public-private partnerships and details how the project will benefit from these lessons, contributing to a more cost-effective implementation of the project.
4. *Absorptive Capability:* SANParks has proven through the Cape Peninsula Biodiversity Conservation Project and through the preparation of this project that it has significant absorption capacity. With the establishment of a PMU it will be able to execute the project effectively and meet all fiduciary responsibilities. See Section C4 and F for more details.
5. *Complementarity with Ongoing Activities:* Information has been provided on how GEF and non-GEF projects in the region will coordinate with the GAENP project. See Section B2, B3 and D3 for more details.

Please let me know if you require any additional information to complete your review prior to inclusion in the work program. Many thanks.

Distribution:

Messrs.: F. Pinto, UNDP
A. Djoghla, UNEP (Nairobi)
K. Elliott, UNEP (Washington, DC)
M. Gadgil, STAP
M. Griffith, STAP (Nairobi)
Y. Xiang, CBD Secretariat

cc: Messrs./Mmes. Warner, Crepin, Gleason, Guazzo, Kiss (AFTES); MacKinnon, Khanna, Wedderburn, Aryal (ENV); ENVGC ISC, AFTES Files

PROJECT BRIEF

1. IDENTIFIERS:

PROJECT NUMBER:	P064438
PROJECT NAME:	South Africa: Greater Addo Elephant National Park Project
DURATION:	6 years
IMPLEMENTING AGENCY:	World Bank
EXECUTING AGENCY:	South African National parks
REQUESTING COUNTRY OR COUNTRIES :	Republic of South Africa
ELIGIBILITY:	South Africa ratified the Convention on Biodiversity on November 2, 1995
GEF FOCAL AREA:	Biodiversity
GEF PROGRAMMING FRAMEWORK:	Arid and semi arid ecosystems (OP 1) with support to coastal, marine and freshwater ecosystems (OP 2)

2. SUMMARY:

The project objective is to create the third largest National Park in South Africa around the existing Addo Elephant National Park by supporting innovative models to involve landowners, community and private sector to conserve globally significant biodiversity in terrestrial and marine environment. It will include 6 out of 7 of South Africa's biomes including the highly threatened Succulent Karoo, Fynbos and Thicket biome. The project responds to national priorities by :

1. Strengthening conservation, integrated ecosystem and protected area management in a threatened area.
2. Increasing employment and incomes in the project area, thereby reducing poverty.
3. Increasing regional economic growth through creating a better tourism product in the Eastern Cape .
4. Providing institutional and governance strengthening to SANPark's, government and landowners.
5. Providing support to the weakest and poorest province in South Africa.

The incremental GEF support will be used to:

1. Develop an integrated conservation plan/ planning and monitoring system for the Park.
 2. Support implementation of the Park development plan including rehabilitation of ecosystems and private landowner incorporation and partnership.
 3. Provide targeted support to institutions and governance structures to implement the planning and Park management requirements.
 4. Support community development so that the community benefit from Park social and economic opportunities
 5. Support regional economic development through removing barriers to Addo becoming a tourist destination and facilitating private sector investment.
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3. COSTS AND FINANCING (MILLION US):

GEF:	Project	5.500
	PDF	0.339
	Subtotal GEF	5.839
CO-FINANCING:	IA	0.000
	Other International	0.000
	Government of South Africa	12.000
	South African National Parks	15.942
	Private	6.500
	Subtotal Co-Financing:	34.442
TOTAL PROJECT COST:		39.942

4. ASSOCIATED FINANCING (MILLION US\$)

5. OPERATIONAL FOCAL POINT

Refer to Annexure 13. GEF focal Point letter

ENDORSEMENT:**NAME:**Title: Dr Olver, DG Department of Environment
Affairs and Tourism, Tel 27 12 310 3911**ORGANIZATION:**

Fax 27 12 320 4746

Date: Feb 27, 2002

6. IA CONTACT:World Bank Regional Coordinator for Africa
Region, Christophe Crepin, Tel 202-473 9725 ,
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Internet: ccrepin@worldbank.org

SOUTH AFRICA
THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

Project Concept Document

Africa Regional Office
AFTES

Date: February 25, 2002 Country Manager/Director: Fayez S. Omar Project ID: P064438 Focal Area: B - Biodiversity	Team Leader: Christopher James Warner Sector Manager/Director: Agi Kiss Sector(s): MY - Non-Sector Specific Theme(s): Poverty Targeted Intervention: N																				
Project Financing Data																					
[] Loan [] Credit [X] Grant [] Guarantee [] Other:																					
For Loans/Credits/Others:																					
Total Project Cost (US\$m): \$39.94																					
Total Bank Financing (US\$m): \$5.5																					
Has there been a discussion of the IBRD financial product menu with the borrower? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																					
Financing Plan (US\$m): <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">Source</th> <th style="width: 15%; text-align: center;">Local</th> <th style="width: 15%; text-align: center;">Foreign</th> <th style="width: 20%; text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>BORROWER/RECIPIENT</td> <td style="text-align: center;">27.94</td> <td style="text-align: center;">0.00</td> <td style="text-align: center;">27.94</td> </tr> <tr> <td>GLOBAL ENVIRONMENT FACILITY</td> <td style="text-align: center;">0.00</td> <td style="text-align: center;">5.50</td> <td style="text-align: center;">5.50</td> </tr> <tr> <td>LOCAL SOURCES OF BORROWING COUNTRY</td> <td style="text-align: center;">6.50</td> <td style="text-align: center;">0.00</td> <td style="text-align: center;">6.50</td> </tr> <tr> <td>Total:</td> <td style="text-align: center;">34.44</td> <td style="text-align: center;">5.50</td> <td style="text-align: center;">39.94</td> </tr> </tbody> </table>		Source	Local	Foreign	Total	BORROWER/RECIPIENT	27.94	0.00	27.94	GLOBAL ENVIRONMENT FACILITY	0.00	5.50	5.50	LOCAL SOURCES OF BORROWING COUNTRY	6.50	0.00	6.50	Total:	34.44	5.50	39.94
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Borrower/Recipient: GOVERNMENT OF SOUTH AFRICA Responsible agency: South African National Parks Address: P.O. Box 787, Groenkloof, 0027, South Africa Contact Person: Dr. Michael Knight Tel: 27-41-508-412 Fax: 27-41-5085415 Email: mknight@upe.ac.za																					
Project implementation period: 6 years																					

A. Project Development Objective

1. Project development objective: (see Annex 1)

The development objective is to create the third largest National Park in South Africa around the existing Addo Elephant National Park by supporting innovative models to involve landowners, the community and private sector in National Park operations.

The project global objective is to bring representative examples of 6 out of 7 of South Africa's biomes as well as a marine component into a single National Park in order to alleviate threats and root causes to the loss of biodiversity.

Background to the project area and project

The Eastern Cape Province, in which this project is situated, is the second largest province in South Africa and is situated along the eastern seaboard. It comprises 24% of the surface area of the country. The Province is located in a climatic transition zone. Rainfall in the area ranges from 250 mm to 900 mm per annum on high mountain peaks. The relief is varied and comprises coastal dunes, river valleys, mountains and a plateau. The undulating terrain means that only 4% of the surface area is cultivated though much of the area is used for grazing.

The Province has a population of 6,7 million people out of a National total of 40 million and is growing more rapidly than the average for South Africa. GDP comprises approximately 8% of the National level. The average GGP per capita is half that of the rest of South Africa. Some 57% of households live in poverty. The economic base of the province is reliant on agriculture, manufacturing and industry. The decline in traditional agriculture has seen an increase in the number of game and hunting ranches to the extent that there are now over 400 of these in the Province. Eco-tourism is therefore regarded as a clear area for growth.

Manufacturing and industry is focussed on the main commercial centers of Port Elizabeth, Uitenhage and East London. The motor industry is the economic driver of this sector and is increasingly contributing to export and foreign exchange earnings. The proposed Koega Harbor is expected to considerably expand this potential.

The Eastern Cape Provincial Government has had to amalgamate former so-called homelands including the Ciskei and Transkei together with administrations from South Africa. This has proven to be a difficult task and Provincial and local government is generally regarded as being weak.

South Africa is considered a mega-diversity country (CI) primarily due to its floristic diversity and levels of endemism. South Africa's plant diversity is estimated at over 23 000 species and represents at least 9% of the World total. Two of the World's 25 threatened biodiversity hotspots are found within the country's boundaries. These include the Succulent Karoo Biome and the Cape Floral Kingdom, portions of which are found within the project area. The project area also contains the so-called Albany center of plant endemism which is located in the Thicket biome. This biome which is confined to South Africa is believed to have some of the highest levels of

endemism globally per km. The project area also contains 6 out of South Africa's 7 plant biomes making it a unique transition zone to conserve. Within the terrestrial component, the area is under threat from land uses such as agriculture which is causing land degradation but also from the loss of key species in the ecosystem including major herbivores and carnivores. It is for these reasons that two other GEF activities are focussed on the region. The Thicket biome project will develop a bioregional plan for the greater area whilst the Conservation Farming project will develop broad land use models which will research how farmers can change from traditional agricultural uses to uses which are of lower impact and higher economic value. This land use switch is particularly important as a buffer on the edges of areas requiring protected area management. See Annexure 7 and 10)

In the marine environment over 11000 species have been found of which 3500 are endemic with Port Elizabeth being an important cut off point. In the marine component over-harvesting of resources is a key threat.

Within the project area is found the existing Addo Elephant National Park (Refer to Annex 8). This is a well established National Park comprising approximately 100 000 ha. It attracts over 114 000 tourists per annum. It has from tourism perspective considerable potential for expansion. The aim of the project is to triple the area under conservation in order to conserve the area of globally significant biodiversity through both partnerships with private land owners (no land in the project area falls under communal land tenure) and through land purchase as last resort. The project offers significant scope in this regard. In order to bring this about the project will identify the barriers to be removed to land incorporation and will implement an incentive framework to facilitate the incorporation process. The project will also provide the community with socio-economic opportunities to benefit from the Park and will enhance the performance of the regional economy through eco-tourism ventures.

From an Africa wide perspective the project is at the cutting edge of the biodiversity management - private sector - livelihood enhancement nexus. It will provide replicable experiences and lessons inside and outside of South Africa for the implementation of a new models for protected area management supportive of the Bank's Environmental Strategy for Africa region.

It is within this context that the South African Government has identified this project as one of its key deliverables in the Eastern Cape and has requested World Bank and GEF assistance. The overall investment in this project will be approximately US\$40 million with approximately \$5.5 million coming from GEF, \$6,5 million from private sector and the remainder primarily from government and the South African National Parks (SANPark's). This provides an excellent leveraging ratio of 1: 6.3.

Project outcomes from each component:

1. *Integrated park conservation and development plans* adopted for the marine, terrestrial and aquatic component of the park.
2. *Park infrastructure developed and rehabilitation of key park components* completed.
3. *Capacitated park institutions and governance structures* operational.
4. *Park related social ecology/ community development program* implemented to benefit the

community and park

5. *Regional economic development* benefits achieved through the project including significant private sector investment and landowner partnerships.

2. Key performance indicators: (see Annex 1)

Outcome/Impact Indicators:

1. Over 300 000 ha of globally important land and 100 00 ha of the marine component incorporated into the GAENP by year 6.
2. All seed bearing alien plant species removed by year 6.
3. Employment levels in the proposed GAENP increased 3 fold from current levels
4. Within the area proposed for incorporation, partnerships operational with all landowners
5. Paying visitors to the Park increase at 10 % per annum

B. Strategic Context

1. Sector-related Country Assistance Strategy (CAS) goal supported by the project: (see Annex 1)

Document number: 18995

Date of latest CAS discussion: 03/23/99

The CAS for South Africa was produced in May 1999. The key goals at that time were to (1) increase growth and employment creation, (2) enhance social and environmental sustainability and (3) support regional integration.

The project will support these CAS goals by :

- Increasing employment and incomes, especially amongst the poorest sector of the population, thereby assisting to reduce poverty in the project area.
- Increasing regional economic growth through creating a better tourism product in the Eastern Cape.
- Strengthening conservation and integrated ecosystem management.
- Providing institutional strengthening to government/ parastatals.
- Providing support to the Eastern Cape which is mentioned in the CAS as a key Province needing assistance.

1a. Global Operational strategy/Program objective addressed by the project:

The activities proposed under this project are fully consistent with the priorities of the GEF Operational Strategy and the GEF Operational programs for Arid and Semi Arid Zone Ecosystems (OP 1). The project will also support OP 2, Coastal Marine and Freshwater Ecosystems. The project is located in an arid to semi-arid global biodiversity hotspot containing 6 out of 7 of the countries biomes including the Albany plant center of endemism. The marine component is located in a transition zone after which the diversity of marine species drops off considerably.

The project is specifically compatible with OP 1 (section 1.9 to 1.14) on the in-situ conservation and sustainable use of biodiversity in a vulnerable arid and semi arid zone.

- Provides for an ecosystem approach to the conservation of biodiversity through the planning and management approach which has been and will continue to be adopted.

- Provides incentive measures to landowners and the community to support biodiversity objectives.
- The project will be of a large enough scale to be effective against environmental threats.
- The absorptive capacity of the executing agency is in place and will be boosted.

From project output perspective the project is consistent with section 1.15 of GEF OP 1 in that it will produce the following monitorable outputs:

- A large well managed protected area falling under a national agency tasked with protected area management.
- Will remove the threats and root causes to biodiversity losses especially through reducing fragmentation of the landscape.
- Will integrate the project into the economy of the Eastern Cape through private sector investment and with the community through the proposed social ecology program.
- Sustainable use will be enhanced through specific policy objectives and programs.
- SANParks and governance structures will specifically be capacitated.

GEF investment, technical and capacity building activities which will be supported by the project will include (section 1.17 of GEF OP 1.) :

- Demarcating and consolidating the third largest protected area in South Africa.
- Controlling alien invasive plant species.
- Building capacity of SANParks and governance structures.
- Identifying the root causes and threats to biodiversity loss and land degradation and barriers to be removed.
- Development and use of rapid assessment tools including GIS, social and ecological assessment and monitoring through indicator species and surrogates.
- Incorporating aspects of marine and herbivore research into targeted research.
- Undertaking environmental awareness and education targeted at the community.

Project risks, land degradation and public involvement in relation to section 1.20 to 1.25 of GEF OP 1 which will be addressed are as follows:

- Development of best practice models in relation to conservation planning and integrated ecosystem management, institutional reform and development of incentive frameworks for contractual park arrangements.
- Local communities will be major beneficiaries of the project with respect to employment, sustainable harvesting practices, removal of alien vegetation and rehabilitation. Further, a community awareness program will be initiated.
- Land degradation threats will be removed by creating a larger protected area which can be managed according to weather and climate variation events and which is not reliant on annual agricultural yields.
- Public participation has during preparation taken place according to a public participation plan. This trend, which begun before the use of GEF preparatory resources, will be continued.

The project is consistent with the following aspects of OP 2 :

- Promoting the conservation and sustainable use of marine and coastal resources with identification of impacts, threats and removal there-of .

- Promoting integrated ecosystem management.
- Creating a Marine Protected Area (MPA).
- The lessons learnt from the MPA will be replicable for other National Parks and the Provinces.
- Monitoring of species diversity and ecosystem functioning will take place.
- Institutional strengthening will take place.

2. Main sector issues and Government strategy:

2.1 Socio-economic and regional development

Background:

With a Gross Geographic Product (GGP) growth of 1.5% per annum, the economic performance of the Eastern Cape has failed to keep pace with South Africa as a whole in which the Gross Domestic Product (GDP) is growing at a rate of approximately 1,5-3% per annum. Despite its size and potential, the GDP of the Eastern Cape Province was R29,049 billion in 1994 (at that stage about R4 to \$1), comprising only 7.59% of South Africa's total GDP. Once the second poorest province in South Africa, recent statistics indicate that the Eastern Cape has now become the poorest. On the Human Development Index (a composite poverty definition which includes household income, life expectancy and literacy) the Eastern Cape is lower than the country as a whole (South African HDI is 0.672, the Eastern Cape is 0.603). The average GGP per capita in the Eastern Cape is less than half that of South Africa as a whole. Some 57% of households and 64% of individuals live in poverty in this seriously under-developed part of South Africa. Priority in government spending is for basic infrastructure and social service provision. 83% of the Eastern Cape's provincial budget is to be spent on Health, Welfare and Education, compared with 1.26% for Economic Affairs, Environment and Tourism. (See Annex 9). Studies undertaken on conventional farms show that farms in the project area generally employ no more than approximately 10 workers or may even be vacant. Monthly wages on the more profitable commercial farms average under \$24 per month (see Annex 9).

Government strategy:

At the Provincial level at which this project has relevance government has introduced the following strategies, projects and programs to reduce poverty and grow the economy:

- Provide support to the Greater Fish River and East London Spatial Development Initiatives. There are a number of these across South Africa located in areas with high levels of poverty. Through planning and incentives they aim to attract foreign and domestic investment to grow the local economy, generate forex and provide employment. Located slightly outside of the project area, these projects will not impact on the proposed project area. Planning in these zones is expected to have a bioregional and environmental content.
- The multi million dollar Coega Industrial Development Zone, located on the edge of the proposed GAENP is intended to develop a deep water port and to attract clean industry and manufacturing to the area. It is intended to grow the regional economy, generate forex and support job creation. Provided that any potentially negative impacts of this project are well managed it will not impact on the project and will reduce poverty in the region.

- The Working for Water and Poverty Relief program is targeting poorer Provinces. It is providing investment to eco-tourism infrastructure and the employment of local communities in public works type programs. The Province will be receiving over \$9 million from these programs over the next 3 years.
- South Africa's White Paper on tourism targets the tourism sector as a key growth sector. Tourism is currently growing at over 5% per annum and a target has been set to generate 10% of GDP from tourism in the near future. This is expected to result in over 500,000 direct and indirect job opportunities (see Annex 9). The Eastern Cape has been targeted as a key location in which to stimulate and support eco-tourism. Up to 65,000 additional jobs could be created.
- Government has over time reduced unsustainable subsidies to the agricultural sector which together with changed market conditions has resulted in a trend towards farmers converting from grazing uses which impact negatively on the environment to more biodiversity compatible uses including hunting and eco-tourism. This policy switch is not seen as a replacement for protected area management but as a necessary supportive policy in order to form buffers and corridors around protected areas.

2.2. Conservation of natural resources as basis for sustainable development

Background:

South Africa contains two of the world's 25 biodiversity hotspots both of which fall within the project area. The area receives from 250 mm to 900 mm of rain per annum but primarily falls within an arid and semi-arid ecosystem. The project area contains 6 of the country's 7 plant biomes including Fynbos and Nama Karoo vegetation (global biodiversity hotspots). Further, it contains the Albany center of plant endemism and the Thicket biome which is confined to the Eastern Cape and contains some of the highest levels of plant endemism globally (over 2000 species with 10% being endemic). The project is therefore unique in South Africa and perhaps global terms in having such an impressive and threatened array of biodiversity in a confined area. Further, the area contains rock art and artefacts which are still poorly known.

The primary use of this terrestrial based biodiversity has historically been for low value grazing. This has placed considerable pressure on much of the area and land degradation is evident in the lower rainfall areas. However, given the inherently unprofitable nature of conventional farming, there have been two main responses. Farms are getting larger, depopulation is taking place with fewer farmer owners and staff on farms. The second response has been a shift towards game farming and commercial hunting in the Eastern Cape (see Annex 10). This is proving the most lucrative alternative to conventional farming apart from exiting from this sector altogether. Whilst this has been a provincial wide response, in the project area it is not taking place at nearly the pace required. More importantly, in the project area, without proclamation of a National Park and the reintroduction of major game species and ecosystem wide management, the conservation of globally significant biodiversity will not take place. Although 5 farmers on 40 000 ha of land wish to incorporate into the AENP there is a need to expand this model by identifying and removing the barriers to a larger incorporation model. The preparatory phase is being used to develop an incentive framework in this regard.

On the marine side the proposed project area will also include a marine component which will protect over 86 % of South Africa's endemic marine vertebrate species, 34 % of South Africa's endemic fish species and locally 95% of the primary marine production in Algoa Bay.(See Annexure 7). The project area will also include offshore islands containing threatened bird species such as the Cape Jackass penguin. The marine resources in this area are under considerable pressure from recreational angling,, illegal harvesting, pollution and outside of the proposed MPA from commercial fishing operations.

From an institutional perspective, protected areas are increasingly facing difficulty meeting operating costs and providing services to the standard demanded by the wide spectrum of visitors. Therefore more innovative models for protected area management are under investigation.

Government strategy:

Government strategy in this sector in the form of policies, legislation and programs has been impressive. The aim of these reforms is to (1) primarily enable government and the private sector to grow the economy whilst protecting biodiversity, to use South Africa's biodiversity and cultural heritage as an engine for economic growth and development , especially to alleviate poverty, increase jobs and bring in foreign exchange, (2) protect biodiversity and the country's resource base since half of the population still lives in rural areas and depends on clean river water, fuel wood, plants for medicinal use and subsistence agriculture for survival, (3) meet international commitment to conserve biodiversity and the environment, (4) place people at the center of development, (5) effectively promote integrated ecosystem management in order to achieve these objectives, (5) remove subsidies which cause land degradation and biodiversity losses as a complimentary measure to expanding protected areas

Strategy, programs and reform which South Africa has or is undertaking include the following:

- To increase the area under protected park management to international norms of 8% leading up to 10%. A number of new Parks are therefore under planning and development.
- South Africa has ratified international conventions aimed at conserving biodiversity (CBD), preventing trade in endangered species (CITES), and reversing land degradation UNCCD etc.
- To introduce new legislation to promote sustainable development through the National Environmental Management Act (1998). The Act provides umbrella legislation which takes preference over any other legislation to both conserve biodiversity and ensure that environmental considerations are mainstreamed into all sectors, decisions of government and private sector. It also aims to implement a more integrated approach to environmental management; in particular integrated ecosystems management.
- Introduce environment sector specific legislation. In this respect a new Biodiversity Bill is expected shortly which will spell out new mechanisms for protecting biodiversity and promoting sustainable use. It is expected that there will be a greater focus on supporting bioregional planning. In this respect the Cape Action Plan for the Environment which will address both conservation and socio –economic objectives in the Eastern Cape and the

Western Cape is seen as the leading program. The Thicket Biome MSP which is located in the project area has also adopted a bioregional planning approach to determine how best to conserve the thicket biome, found partly inside of the project area. It is therefore a key informant for the GAENP proposal. Synergistic use of information has taken place between the 2 projects to identify key areas to be conserved as well as strategic responses. The Conservation Farming GEF MSP is investigating models for lower impact, biodiversity beneficial land uses. It is possible that this work could ultimately result in a series of private conservancies being established which could form a buffer around the GAENP. On the marine side a White Paper for Sustainable Coastal Development has been produced (2000) to guide proper coastal protection.

- SANParks itself is increasingly looking to develop contractual parks which involve landowners rather than land purchase. It is also increasingly focussing on the social ecology components of parks and designing them to benefit neighboring communities. Further, the private sector is being invited to manage facilities especially at the upper end of the tourism market.
- SANParks has developed a social ecology program which is designed to ensure that communities benefit from employment, tourism and sustainable harvesting opportunities offered by National Parks. Though not at the cutting edge of CDD the program has potential to evolve in that direction.
- The GAENP initiative is supported by SANParks and the South African Government to become the nations third largest National Park and to support the reforms discussed above.

2.3 Cross sectoral issue: Institutional reform, capacity building and governance

Background:

The SANPark's is the custodian of South Africa's system of terrestrial nationally protected areas. The Provinces are tasked with the protection and management of areas of Provincial importance. Marine resources management falls under the management of the Department of Environment Affairs and Tourism though this function is likely to be devolved to the Provinces. Within protected area management the need to reform and strengthen institutions has been recognized. The proposed National Biodiversity Act is expected to be promulgated in 2002 and to provide policy guidance in this regard.

The SANParks current Addo Elephant National Park is not in a position to design and roll out an expansion program. It is constrained by lack of finance, lack of trained staff and the management systems and governance structures which are needed do not exist. New models are therefore needed.

Government/SANParks strategy:

Whilst the proposed National Biodiversity Act will, when promulgated later this year, provide further guidance, the following elements of Government and SANParks strategy are applicable :

- SANParks will increasingly focus on its core objective which is national biodiversity and integrated ecosystem management. It will outsource non-core objectives.

- Right-sizing the SANParks as an organization to achieve its core objectives.
- Improving the financial efficiency of operating budgets.
- Expanding parks by entering into contractual arrangements with land owners. This alternative to outright land purchase will increase the area under conservation and use financial resources more efficiently. Provision already exists for proclaiming contractual Parks as National Parks in terms of the National parks Act. Since this has to date primarily occurred on communal land the project will expand the use of the legislation on private land, with landowner consent.
- Entering into concessioning arrangements with the private sector to manage visitor facilities.
- Creating Park Committees involving stakeholders as part of the new governance regime for parks. Parks are expected to be more consultative and ensuring community support is regarded as critical. Parks are expected to contribute to community development and to this end social ecology units have been developed.
- Building capacity of government and SANParks to better deliver on its mandate. This involves retraining staff and the installation of new management systems such as environmental management systems, the introduction of electronic information systems and GIS to better design and manage parks and conservation areas.

3. Sector issues to be addressed by the project and strategic choices:

The project will make interventions in both sector issues: socio economic development, conservation of natural resources as basis for sustainable development and the cross cutting sector, Institutional reform, capacity building and governance.

3.1 Socio-economic and regional development

The project will support implementation of government policy in the region to reduce poverty, improve livelihoods and regional economic development. The aim is to develop a model which maximizes the socio-economic advantages of a park without compromising the ecological benefits for which it is designed. A key objective is therefore to support a land and farmer/worker conversion process from traditional farming to conservation management and eco-tourism within the GAENP. This has been shown to have a higher employment absorption level and increases land values.

In particular the project aims to :

- Develop a social ecology and community development program to ensure that the community benefits from the Park. This includes developing an eco-tourism, sustainable harvesting, alien removal and small works program in the Addo community.
- The second objective will be to expand the concept of the social ecology component of the program in the direction of community driven development

3.2 Conservation of natural resources as basis for sustainable development

The most important project intervention will be the conservation of the regions globally significant biodiversity. In particular the project will seek to remove the root causes and threats to the sub-regions ecosystem by focusing on integrated ecosystem management. The strategic interventions which need to be made are to

- Create an integrated terrestrial and marine park based on conservation planning principles. The area required for incorporation into the Park is based on the habitat requirements of the large herbivores and predators which need to be reintroduced into the ecosystem. It is also based on the need to maintain critical ecological patterns and processes in the landscape.
- To develop and implement a sustainable resource use policy.

3.3 Institutional reform, capacity building and governance

The project will support the South African government and SANParks to develop and pilot new institutional arrangements for park management and integrated ecosystem management by supporting the following:

- Designing a cost effective and efficient structure for managing the Park, based on outsourcing of non-core functions. This will involve design of staff structures and posts and job descriptions as well as work program requirements. Training programs will then be developed.
- Establishing a sound financial framework for the GAENP
- The establishment of a number of additional concessions to involve the private sector in the management of tourist facilities.
- The establishment of new governance structures with all key stakeholders via a Park Committee.

3.4 Barrier removal

In order to achieve the land incorporation goals, barriers need to be removed and an incentive framework put in place to address the following issues:

- Lack of awareness about the GAENP proposal and specific implications for farmers and workers. The project has and will continue to ensure that land owners and workers are provided with the relevant information and support to decide whether they wish to incorporate into the Park. More detailed support can then follow once a positive decision is taken.
- Planning structure and capacity. Each potential incorporation will have planning needs and financial implications. A systematic approach for streamlining this process will be investigated and devised.
- Legal framework. Generic agreements will be developed which ensure that contracting into the park becomes a simple issue which addresses all legal impediments.
- Technical knowledge gap. The transition from conventional farming to incorporation into the Park will require training and knowledge support on conservation management. The project will provide this to both landholders and to farm-workers making the transition.
- Rehabilitation and infrastructure. The proclamation of private land as national park will require investment in rehabilitation, introduction of game, small scale infrastructure etc. The project will be able to offer some support on this so that the overall goal of a National Park is achieved.
- Planning support. In instances where landowners wish to remain responsible for land management assistance is likely to be needed on developing a management plan for each farm which sets out the program for attaining National Park status.

3.5 Replicability

The project aims to develop a model of protected area management which is replicable within SANParks and conservation agencies in South Africa as well as those outside which have strong potential to be financially viable. Within the various project components some activities will have wider application outside of South Africa and Africa. Replicable components will include:

- The integrated conservation planning model.
- The incentive framework and Park contracting model.
- Aspects of the institutional development component including the design and installation of a cost effective EMS and GIS.
- Inside of South Africa the design of the institutional configuration of the Park is expected to provide a useful methodology for other SANParks operations.
- The development and implementation of the sustainable harvesting policy.
- The reintroduction of larger game into a contractual Park arrangement with landowners to conserve globally significant biodiversity.
- The granting of concessions to the private sector on the scale envisaged and the extent to which the Park is expected to be financially viable and self financing.
- The community development and social ecology components which aim to provide significant livelihoods benefits which will contribute to the development of social ecology in South Africa.

Further, the lessons learnt from the Addo project will be shared with the CAPE Action Plan which aims to establish a number of mega- reserve to conserve the Cape Floral Kingdom as well as with the UNDP supported Wild Coast Initiative.

C. Project Description Summary

1. Project components (see Annex 1):

The project has five inter-related components that together serve to meet the Project Objectives:

1. The first component is concerned with developing a **planning and monitoring framework** for the project:

- (i) *Conservation planning.* This sub-component will update and maintain the terrestrial, aquatic and marine data bases produced during project preparation. It will include cultural resources. This information will provide the baseline for updating park planning.
- (ii) *Development planning.* Based on primarily the above information a costed and phased development plan and planning process will be produced. It will indicate the preferred use zones for the park, areas to be rehabilitated, as well as infrastructure (roads, fences, buildings, visitor facilities). The plan will guide the overall development of the park for the next 10 years.
- (iii) *Baseline surveys, research and monitoring systems.* Key baseline information is needed in

for example the socio-economic and biophysical environment to monitor the impact of development of the Park and other management actions on the community, economy and environment. It will primarily fund marine research in support of the proposed MPA and research into the impact of major herbivores on the Park and the management actions to be taken. Clear and concise indicators will be selected. Cost effective monitoring systems will be developed and piloted. The information will also be reported in the EMS and annual GAENP report.

- (iv) *Marine Protected Area*. The proclamation of a Marine Protected Area will require detailed planning in terms of the category of reserve, management requirements, cost and public consultation requirements, especially with the various user groups.

2. The second component entails implementation of the **development plan including ecological management, infrastructure and land incorporation**:

- (i) *SANParks/ environmental infrastructure provision and ecological management*. Under this sub-component the development plan will be rolled out. This will include the provision of all fixed environmental infrastructure, roads, fences, buildings, SANParks visitor facilities and signage. It will also entail the introduction and moving of game and overall ecological management on SANParks property. GEF funds will support private landowners under the incentive framework below. Movable assets will also be funded as indicated.
- (ii) *Land incorporation/purchase*. The incorporation of land including through land-owner partnerships and through purchase will be integrated with the roll-out of the park plan. This is a cross cutting issue. Figures below do not reflect value of private land to be contracted into the Park, only land to be purchased.
- (iii) *Incentive framework implementation* Under this component approximately \$1,92 million will be provided to *implement* the proposed incentive framework over the 6 year project period to remove barriers preventing farmers, landowners and the community from converting from current land uses to incorporate into the Park. This will entail legal, infrastructural, rehabilitation support, training and knowledge enhancement. Figures below exclude in kind support provided by SANParks and investments which the private sector will make on individual properties.

3. The third component entails the development of **institutions and governance structures** to ensure the successful implementation of the project and management of the park.

- (i) *An environmental management system* will be developed as a management tool. It will establish an overall park policy, sub-policies for key issues and will contain the overall monitoring indicators for the project. It will be the guiding document for the overall park management. An EMS report will be produced each year and the results will inform management of the park, the project and the GAENP annual report.

- (ii) *GAENP management structures.* Based on the development plan and the extent to which concessions will be introduced, the required park management arrangements will be costed and developed. These will include definition of the required outcome of the organization, definition of responsibilities, staff organograms and reporting lines etc.
 - (iii) *Project management unit (PMU).* In order to execute the project on daily basis a project management unit will be needed comprising a project manager, a financial and procurement person and administrative support. The unit will work alongside GAENP staff and will as far as possible integrate its activities with those of the staff. Under this component the Park Committee, project Steering Committee (SC) and the project working groups (PWG's) will be established.
 - (iv) *Business Plan.* A business plan will be prepared which models the financial requirements of the park including income and expenditure and which provides a basis for adjusting the roll- out of the Development Plan.
 - (v) *Knowledge management.* An electronic hardware and software system will be designed and implemented in order to manage the EMS, GIS and conservation plan as well as any other detailed environmental management modules.
 - (vi) *Training programs.* In order to implement the above, training programs will be required so that staff are able to apply the various new systems and technologies and have clear understanding of policy and operational issues contained in the EMS.
4. The fourth component is the implementation of **community development and social ecology** practices related to communities and park visitors. Social ecology is an expanding SANParks concept which recognizes that parks should benefit communities through enabling managed access to natural resources, access to employment, micro-enterprise opportunities, training and environmental education. The aim of this component is to meet these objectives. Importantly this component will provide major support to the implementation of the Development Plan for the Park.
- (i) Employment opportunities based on eco-tourism, small works supporting roll out of Park infrastructure and sustainable harvesting. The aim of this component is to train members of the community to the point that they can benefit from work opportunities in the park including eco-tourism and sustainable harvesting opportunities. Accessing some of these opportunities will take place through Working for Water and Poverty Relief Funding.
 - (ii) *Environmental education.* A sustainable and cost effective environmental education program and environmental education center will be established to support community and visitor awareness about the park. A limited number of tertiary scholarships will be provided to train a cadre of new officials from the community to enter SANParks at professional level and to advance in the organization. The hard infrastructure cost of this component falls under component 1 i.e. development of an environmental education center.

- (iii) *Resettlement*. Though the project social objective is to ensure that the community benefits from the project, SANParks will make funds available to ensure that any members of the community who can not benefit from the project are compensated.

5. The fifth component aims at stimulating overall **economic development** in the region by creating an enabling environment for tourism and associated economic activity. It has four sub-components:

- (i) *Marketing*. Conduct periodic market research surveys to determine demand patterns and predictions for visitor numbers to the park as a basis for future planning. Develop and implement a marketing plan based on the above findings.
- (ii) *Concessions*. The SANParks concessioning process will be implemented in order to attract private sector investment in eco-tourism facilities to the park. GEF will provide legal support to the process.

Note: Rounding off changes figures slightly

Component		Indicative Costs (US\$M)	% of Total	Bank financing (US\$M)	% of Bank financing	GEF financing (US\$M)	% of GEF financing
1. Park Planning		0.96	2.4	0.46	1.7	0.50	9.1
2. Implement park development plan		20.26	50.7	9.69	36.7	3.17	57.6
3. Develop institutional and governance structures		3.10	7.8	2.10	8.0	1.00	18.2
4. Community development and social ecology component		8.08	20.2	7.30	27.7	0.13	2.4
5. Regional economic development and tourism		7.55	18.9	6.85	25.9	0.70	12.7
Total Project Costs		39.95	100.0	26.40	100.0	5.50	100.0
		0.00	0.0	0.00	0.0	0.00	0.0
Total Financing Required		39.95	100.0	26.40	100.0	5.50	100.0

2. Key policy and institutional reforms to be sought:

The project will focus on 3 key reform issues as follows:

2.1. Incentive based conservation strategy:

The first key reform is to develop an incentive based conservation strategy which will result in landowners and communities partnering with the SANParks to support the project. Whilst landowner conversion to eco-tourism operations is taking place in parts of the Province, barriers prevent a significant number of landowners and communities from converting. Therefore, building on the findings of the preparatory phase the project will identify the barriers to be removed and will develop an incentive framework to support conversion. This will focus on the financial, technical, legal, training, rehabilitation, infrastructural and perceptive issues. The scale of this project including the number of farms involved makes this a unique venture. The aim is to ensure

that a robust model is developed which has wider application in SANParks as an addition to land purchase options.

2.2. Park planning to be informed by integrated ecosystem planning:

In South Africa, park boundaries and park planning has generally not taken place according to scientifically verifiable planning methods. Project preparation has piloted the use of a model which sets targets for the determination of marine, aquatic and terrestrial components to be included into the Park as well as their integration. This detailed planning method seeks to implement the concept of bioregional planning which has effectively been adopted as government policy. The project seeks to demonstrate the value of this method from planning to implementation for adoption in future SANParks operations.

2.3. Sustainable use:

Building on the concept of sustainable use being developed by SANParks, the project will develop and implement sustainable resource use policies and practices as part of routine Park management operations. This will be undertaken in the marine and terrestrial components and will provide experience for other SANParks operations. Some program sub-components will be integrated with social ecology components of the project which seek to ensure that the community benefit from the project. The introduction of CDD will be piloted.

3. Benefits and target population:

Benefits

Environmental benefits

- The over-riding benefit of the GAENP project is the conservation of a unique association of biodiversity in an arid environment through integrated ecosystem management. The opportunity to bring sustainable examples of six of the seven biomes of South Africa (Nama karoo, fynbos, thicket, savanna grassland and Afromontane forest), estuaries and marine systems, coastal dunefields and offshore islands all within one park is a unique global benefit.
- The conservation of endangered and Red Data Book species is enhanced, such as the African elephant, the south western black rhino (*Diceros bicornis bicornis*), African penguins, certain succulent plants etc.
- Cultural resources, such as archaeology and paleontology, are preserved.
- The project will reduce land degradation currently being caused by over-grazing, alien plant encroachment and unsustainable land use. At the same time, the project will not detract from productive agriculture such as dairy, mohair and chicory.

Socio-economic benefits

- Of the \$40 million to be spent on the GAENP at least US \$6 million plus will benefit local communities and normal contractors in the area through a number of community development/social ecology and routine contracting opportunities. These will include Working for Water, Poverty Relief and social ecology projects relating to sustainable harvesting, minor works and eco-tourism. Above the \$6 million, resources will also be made available through the incentive framework to enable farmers and the community to convert to the conservation land use option.
- GAENP is expected to stimulate economic growth in this otherwise impoverished region by initially developing at least a further 100 tourism beds spread through a further five tourism camps in the established park. This is expected to generate US\$2.3 million income for the park and a total of 360 direct tourism jobs. Private investment in the three or four concession is expected to be around US \$6.5 million. Knock on affects are expected to be felt in the associated industry.
- The park is expected to draw in further foreign investment from donors and investors alike given the fact that the park is already functional and that there is to be diversification of the wildlife product.
- Environmental education (EE) programs will be made available through the development of at least one EE center with associated staff.
- Local land values are expected to increase with prospects of tourism and other ecologically sustainable land uses and diversified livelihoods other than unproductive farming. Already through the park expansion programmed land prices have almost doubled in value. Investors having shown increasing interest in wanting to purchase in surrounding areas.

Target groups

SANParks

- SANParks, as the executing agent will be one of the key target groups in the project. It will benefit from technical and financial support, capacity building, institutional development and support relating to policy and management reform, plus prestige of developing further conservation and integrated ecosystem management economic models. Further, the project aims to develop replicable models for protected area management which match the resource constraints and strengths of the private sector and SANParks as well as land ownership patterns. The project will therefore provide for sharing of lessons learnt between the CAPE Action Plan and the UNDP supported Wild Coast project.

Government

- Support to the effective implementation of government environmental policies, poverty alleviation strategies and enhanced social equity.
- Institutional capacity-building in relation to departments and agencies needed to support the project.
- Institutional collaboration will be enhanced between agencies and departments supporting the project.

NGOs and civil society

- NGO's will be consulted and informed together with other stakeholders about the project. They may also play a more specific role in formalized Park structures such as the PC. Civil society will be consulted at all stages and views and opinions used to inform the implementation of the project. Environmental education components will aim to strengthen civil society understanding about environment issues and the park. On the empowerment job creation side the park will provide improved opportunities.

Private sector and land owners/farmers

- The project seeks to develop and implement a model which provides for far greater private sector and land-owner involvement in the implementation of the project proposal as well as ongoing operations. Land-owners will therefore be specifically targeted in relation to forming partnerships to incorporate land, ensure retention of labor, rehabilitation of land and development of minor infrastructure.
- Private sector, as in non-landowners, will be invited to develop and or manage aspects of the park development in areas of comparative advantage such as eco-tourism facilities.

Unemployed

- Employment and entrepreneurial opportunities will materialize from Poverty Relief funding as well as more stable forms of employment associated with the park. Training and opportunities will first be targeted at existing workers on farms.

4. Institutional and implementation arrangements:

The GAENP program is to be developed and implemented primarily by the SANParks, but in partnership with the provincial Department of Economic Affairs, Environment and Tourism (DEAET), national government departments (Environmental Affairs and Tourism, Land Affairs, Labour), various non-government organizations (NGOs), community-based organizations (CBOs), the farming community, academic institutions, private land-owners and private enterprise.

Co-operation and integration of the various institutions will be arranged on the following basis:

Project Management Unit (PMU)

A PMU consisting of about three persons (Project Manager, finance, procurement and administrative officers) will be established in support of SANParks. Its tasks will include: (i) development and coordinating the drafting of development, management and business plans by consultants; (ii) day-to-day management of project development and implementation of the project implementation plan (PIP); (iii) annual work plans and budget preparation based primarily upon input from SANParks; (iv) donor coordination; (v) secretariat function for the project steering committee (PSC) and the Addo Planning Forum (APF); (vi) financial management including establishing a financial management system, withdrawal applications, financial reporting, procurement of consultants goods and services for the project; (vii) development of an EMS; (viii) facilitating investor involvement; (ix) coordination of the APF and its subcommittees; (x) establishment of Park Committee (PC); (xi) report generation (annual and as required), including reporting to the World Bank on project execution.

Steering Committee (SC)

The PSC will provide a high level oversight function for the Project and ensure that it implements the project according to the requirements of the GAENP, the vision for the park and GEF Grant Agreement. It will therefore at high level ensure full integration of the project development into park management activities and other SANParks related issues (such as financial, socio-ecological, policy, marketing and linkage to SANParks Directorate) to provide a holistic and well coordinated management platform. The Steering Committee should therefore meet approximately every 6 months and should review project progress and agree to the proposed project deliverables for the following 6 months. The Steering Committee should be chaired by a senior SANParks official. The SC composition is expected to be mainly SANParks personnel including : (i) The Project Manager (ii) Park Manager, team leaders of the working groups (and section rangers, financial, tourism representation as required); (iii) SANParks Scientific Services & Park Planning Manager; (iv) Poverty Relief & Work-for-Water coordinator; (v) SANParks Manager: Socio-Ecology; (vi) SANParks Manager: Commercial Development; (vii) contractual park representative; (viii) representative from Provincial DEAET; (ix) representative from APF and later the Park Committee (PC).

Project Working Groups (PWG)

The PWGs should comprise a workable number of people (4-10) and will be tasked with execution of the key project components by the Project Manager. They will play a crucial role in integrating the project activities into work of the park organization and staff so that the project does not become isolated from general park management. A specific structure is not required at this stage and working groups will be formed and dissolved as a project activity is completed. Members will be coopted from time to time as needed but in general will include the Project Manager, a senior working group leader, preferably drawn from Park management, SANParks staff, government officials and any other key organizations or individuals.

Addo Planning Forum (APF)

The APF is to provide a broad platform for constructive and consultative dialogue between a wide spectrum of stakeholders in the project. The APF was initially established in 1998 and now has representation from the following sectors around the park: (i) SANParks (Park Manager & Manager Scientific Services); (ii) Provincial Department Economic Affairs and Environment; (iii) local industry (Port Elizabeth Chamber of Commerce and Coega Development Corporation); (iv) previously disadvantaged communities; (v) conservation NGOs; (vi) local government; (vii) Eastern Cape Agricultural Union; (viii) Department of Labour; (ix) Department of Land Affairs; (x) Department of Water Affairs & Forestry; (xi) local tourism (Eastern Cape & Port Elizabeth tourism boards); and (xii) Sundays River Irrigation Board. Other institutions requiring representation include DEAT's Marine & Coastal Management section, and the important but unorganized farmer laborers. The APF meets a minimum of twice per year or as the need arises. The chairman is elected by APF members. (See Annex 9 for a copy of the Addo Declaration).

Park Committee (PC)

It is envisaged that as the Park Management Plan development is initiated, so the APF will be adapted to form a dedicated Park Committee. The establishment of a PC will follow the procedure accepted by SANParks in 1999 and entails the nomination of local stakeholders through an independent consultative process. This process will commence during project implementation phase.

Other structures are also envisaged and may include the creation of land-owner committees through which the Park management will work in order to enter into land incorporation and management agreements to achieve project objectives.

Financial Management

Special Account

As per South African Government policy, the recipient of the funds will be the South African Government, and the SANParks will be identified as the executing agent for the Project. This means that the project funds will first be deposited into the South African Government RDP account and then will be transferred into a Special Account. Transfer in \$'s will be negotiated with the Accountant General. The account will be held at a commercial bank designated by the SANParks. SANParks will be responsible for establishing the above account.

SANParks financial management procedures have through the experience of the Cape Peninsula Biodiversity Conservation project found to be of a high standard and Bank compliant.

Disbursement

The PMU will be responsible for preparing withdrawal applications and related SOEs. This will be

done in conjunction with the Financial Administrator of Addo Elephant National Park. All transactions will be managed through the SANParks financial system.

Project Monitoring and Evaluation (M&E)

The PMU will ensure monitoring of project performance against the overall logframe indicators presented in Annex 1. A biophysical and socio-economic monitoring system will be established for the park. It will also provide guidance on whether the project is having the desired impact or not. This information together with detailed surveys, as required, will be provided to the EMS and to the GAENP annual report. Other key overall monitoring systems will include the production of a 6 monthly project progress report to the Bank prior to supervision missions as well as routine SANParks and national and provincial data which will indicate whether the project is achieving its goals or not. The SC will also perform an oversight role by receiving Project progress reports. General civil society monitoring will take place via the APF and proposed Park Committee. Where specific sub-components require detailed monitoring and evaluation (such as land incorporation) more detailed systems will be developed. The delivery of project components will from a quality perspective, in the first instance, be subject to the scrutiny and approval of Project Working Groups. Therefore, project monitoring and evaluation systems will exist at a number of levels and will include Government, the executing agency, civil society, and the Bank .

D. Project Rationale

1. Project alternatives considered and reasons for rejection:

Taking cognizance of the sector issues and strategic choices (see C3) and lessons learnt thus far (see D3), the only alternative to the project would be to perpetuate the current situation which is described below. There is simply no other alternative on the table being considered by either government, landowners, private sector or development agencies.

Current reality continues

This approach approximates the current situation :

- It entails limited expansion of the Addo Elephant National Park (AENP) in the absence of an integrated and systematic conservation planning and management system aimed at reversing land degradation and conserving globally significant biodiversity in the marine and terrestrial environment.
- The root causes of degradation and the threats to this biodiversity hotspot would remain.
- There would be reduced opportunity for the development of a sustainable economic alternative to unsustainable pastoralism which continues to undermine globally important biodiversity (within 2 hotspots and Albany center for plant endemism).
- The business as usual approach would provide for limited private investor opportunities, limited job and skills creation opportunities and lack of general support, particularly amongst rural communities, for the conservation of natural resources.
- The business as usual approach will not result in the development of a National Park together with the level of technical knowledge needed to rehabilitate an ecosystem of global importance. The establishment of game ranches and ecotourism ventures is a positive trend

but is insufficient to meet global objectives. True global benefits will only be established with the reintroduction of key predator species including lion and the reintroduction of the larger herbivores including elephant and rhino over much of the area. These species can not be introduced on a free ranging basis without very large areas of suitable habitat being included and managed appropriately. Further, coordinated planning and management expertise found within SANParks is needed. Therefore, the terrestrial objectives for the area will not be attained under extension of the current

- The marine component would continue to suffer from over-harvesting of resources and impacts from the catchment would remain largely undetected and untreated. A MPA would not be established and integrated management of the marine and terrestrial components would not take place.

Within the broad project concept there were two park options to explore. The first was a traditional land purchase, fence and SANParks operate model. This was rejected for cost, social, management and “best value reasons”. It is a limited outdated model and simply does not draw on the comparative strengths of different players and does not seem to have community and landowner support. Therefore, the alternative model is a partnership with landowners and community which is based on creating an incentive framework for farmers and communities to support and share in the benefits of the overall ecological and social objectives built around the core park. This model together with some land purchase is the preferred option. From a biodiversity perspective the project proposal could have chosen a model which simply addresses wildlife management issues. Instead a model has been selected which focuses on integrated ecosystem management including terrestrial and marine components aimed at reversing biodiversity losses, land degradation and over-harvesting.

GEF support will therefore be critical for :

- Ensuring conservation of globally significant biodiversity in 6 of 7 f South Africa's biomes and marine environment through the creation of South Africa's third largest national park.
- Assisting to remove the threats and root causes of biodiversity loss and supporting rehabilitation and re-introduction of game and minor conservation related infrastructure.
- Assisting to implement an incentive framework to the landowners and the community to incorporate into the Park.
- Assisting the project to receive stakeholder support.
- Supporting the planning, monitoring, institutional support, private sector involvement and community/ social ecology components of the project at the scale needed to make it a success.
- Leveraging additional financial support from the private sector and other donors.
- Developing a replicable model for protected area management in South Africa and middle income countries.
- Maintaining public support and enabling SANParks to maintain its investment in conservation and management of other national parks in globally important conservation areas.

The project will compliment other GEF supported projects in the region. The CAPE Action Plan will implement a number of mega-reserves to conserve the Cape Floral Kingdom. The UNDP supported Wilderness and Agulhas Plain projects will also establish new protected areas. Common elements include sustainable harvesting, capacity building and in particular the

involvement of communities in sustainable harvesting and conservation management. Whilst lessons learnt will be shared between these projects and the Implementing Agents the Addo Project will also contain unique elements which other GEF projects are not likely to support. This includes the reintroduction of major herbivores and carnivores into the Park. These experiences will however be relevant to other SANParks and conservation agency operations in Southern Africa. The project has been discussed within the GEF family through the South African GEF Medium Term Priority Document as well through bilateral discussions. It is strongly supported.

2. Major related projects financed by the Bank and/or other development agencies (completed, ongoing and planned).

Sector Issue	Project	Latest Supervision (PSR) Ratings (Bank-financed projects only)	
		Implementation Progress (IP)	Development Objective (DO)
Bank-financed			
Industry	Industrial Competitiveness	U	U
Health	Hospital Revitalization (under preparation)		
Municipal	Municipal Financial Management Support (under preparation)		
Bank supported GEF (MSP's do not officially have PSR ratings)			
GEF	Cape Peninsula Biodiversity Conservation	HS	HS
GEF	Subtropical Thicket Ecosystem Planning (STEP). MSP	HS	HS
GEF	Conservation Farming. MSP	HS	HS
GEF	The Cape Peninsula Biodiversity Conservation Biodiversity Conservation project. MSP	HS	HS
GEF	Sustainable Protected Area Development in Namaqualand. MSP	S	S
GEF	Richtersveld Community Conservation project		
Other development agencies			
UNDP	Agulhas Plain		
UNDP	SABONET		
UNDP	Wild Coast		
CEPF	Succulent Karoo Ecosystem Profile		
CEPF	Cape Ecosystem Profile		

DANCED	Capacity Building in SANParks		
DANCED	Socio-Economic Overview of Disadvantaged Community Neighboring AENP		
Industrial Development Corporation (IDC)	Tourism Product Development		
IFC	Tourism Product Development		
SA Government	Poverty Relief Program		
SA Government	Work for Water Program (WfW)		
IFAW	Elephant Range Expansion Program		
HSUS	Elephant Range Expansion Program		
Leslie Hill Succulent Trust	Succulent Conservation Program		
Rhino & Elephant Foundation	Elephant Range Expansion Program		

IP/DO Ratings: HS (Highly Satisfactory), S (Satisfactory), U (Unsatisfactory), HU (Highly Unsatisfactory)

3. Lessons learned and reflected in proposed project design:

Conservation and ecosystem management issues

Use of full baseline information and biodiversity prioritization

Thorough investigation into the terrestrial, freshwater and marine environments allowed critical environmental factors to be “layered” into a strategic GIS conservation planning tool (C-Plan) and map. Minimal areas necessary to meet conservation objectives could be identified and the areas needed for conservation and ecosystem management are therefore defensible and based on scientific rigor. The conservation planning tool C-Plan was used successfully for the first time to provide an integrated aquatic (inclusive of marine & freshwater) and terrestrial conservation and ecosystem planning product. This has provided a scientific basis for determining areas which from biodiversity perspective need to be conserved. Without this certainty incorrect areas could have been considered for incorporation into then Park.

Socially sensitive land incorporation

The process of GIS mapping and simultaneous consideration of socio-economic factors has allowed a socially sensitive land planning process, i.e. planning with the needs of people in mind. It has permitted changes in the planning proposal (such as the exclusion of Alexandria dairy farms) and the ability to offer temporary compromises such as exclusion of megafauna in certain sensitive regions.

Use of private land to meet biodiversity goals

One of the most important lessons associated with the GAENP is the willingness and desire by

key landowners to enter into contractual park arrangements. The SANParks has realized that in order to meet biodiversity targets, land will need to be incorporated via partnership ventures with private land owners and private enterprise. The formally conserved national parks land is thus to be seen as a catalyst for further investment. This approach has forced SANParks to investigate novel investment routes to ultimately enhance biodiversity conservation, while also boosting socio-economic benefits to the region. This is a unique model to South Africa on this scale.

Economic issues

Public-Private partnerships

Experience with the commercialization of certain park facilities (e.g. tourism facilities) has shown how this process can have substantial economic benefits to all parties. Financial predictions based upon solely consolidating the present park with strategic land purchases and development of further tourism from the present 145 beds to a total of 400 beds in a total of 8 tourist facilities (4 outsourced) is expected to generate an annual income of US\$2.3 million and create a total of 360 tourism related jobs. In developing this model about US\$6.9 million of private investment would be required to develop the four concessions. With the above baseline catering for an expected 180,000 visitors (present number in 2001 is 114,000/annum) also has considerable knock on affects in the local economy with one tourist suggested to generate 7 jobs in the economy – this could have a considerable impact on the local economy.

The proposal will therefore further develop this emerging model building on the comparative strengths of each party. It is predicted to reduce park costs, increase income and enhance ownership and support for the project

Alternative land incorporation strategies

Allowing landowners to be incorporated into the park without transfer of title has a number of benefits - the park can be managed as an ecological whole while the overwhelming cost of land purchase and the social ramifications associated with that are avoided. Furthermore, developmental opportunities (ecotourism, hunting, game sales, etc.) for the land owner as part of a greater park would also be enhanced which would have greater economic impact on the local economy. At present the SANParks are entertaining the possible incorporation of a further 42,000 ha through contractual arrangements with private landowners. Neighborhood land values appreciate with positive benefits to the regional economy and to neighbor relations. Land-owners can profit from ecotourism without degradation to their land.

Social issues

Full public participation and communication

The public participation process in the GAENP has been, and continues to be, extensive. Even so, misunderstandings and frustrations with slow progress have occurred. The lessons regarding public perceptions have been considerable and issues can and have been addressed timeously to

avoid serious long-term problems. In particular, the essential intervention of the Social Ecology Unit and the preparation of sound resettlement have been recognized as has the need for an effective communications network.

Use of synergistic national incentives

Incorporation of the national Poverty Relief Fund and the Working-for-Water program has been highly effective in meeting the goals of both GAENP and the programs concerned and it demonstrates how conservation projects can alleviate poverty. The other advantage of this is the ability to plan whilst providing visible programs demonstrating commitment to the project.

Management issues

Single institutional authority

Divided or unclear institutional authority has plagued other worthwhile conservation endeavors (e.g. Dongola-Vhembe) and institutional roles and responsibilities were clarified early in the GAENP program. This is resulting in sound inter-institutional relationships and cooperation With better ecological management.

Pre-publicity value

GAENP has benefited from high profile publicity and widespread public awareness. The overall favorable reception continues to assist the development of the project but needs to be actively pursued in all spheres (national and local government, business and civil society). Mainstreaming the conservation ideas thus remains an ongoing task of any such project.

Regional planning

The need for greater integration into regional planning exercises has been essential to minimize unwanted and inappropriate developments within the planning domain.

4. Indications of borrower and recipient commitment and ownership:

In support of the project, the Government of South Africa, through SANParks has undertaken the following:

- A PDF-B proposal was developed and implemented by SANParks. It was fully endorsed by the GEF Operational Focal Point situated in the national Department of Environmental Affairs and Tourism (DEA&T).
- Financially contributed to the initial greater Addo Elephant National Park stakeholder workshop in 1999 from which a declaration emerged in support of the project (see Annex 9).
- Relocated a dedicated team of four scientific staff, assistant project coordinator and an

administrative officer to Port Elizabeth in 1999 to manage the GEF funded PDF– B grant.

- SANParks Directorate has identified the GAENP as a national conservation priority. To this effect they directed the entire land purchase allocation component (R35 million) of the IDC loan to the SANParks in 2000 – 2001 into land acquisition around AENP and about 10% of the remaining loan into product development in the park.
- Allocated services of key upper management staff members to helping with project reviews and advice.
- Actively lobbied the national Department of Environmental Affairs and Tourism as to the conservation priority of Addo.
- Organized visits to AENP by high profile personalities, such as President Thabo Mbeki, the Portfolio Committee for Conservation and Board of SANParks.
- Successfully negotiated the transfer of the Woody Cape Nature Reserve in 2001 from the Eastern Cape provincial administration to Schedule 1 National Park for incorporation in AENP.
- Successfully allocated South African governmental funding totaling about \$6 million from Work for Water (WfW), and Poverty Relief programs specifically in the Addo project for the period 2002-2005. A separate SANParks project coordinator for this money has been seconded to the parks management team.

5. Value added of Bank and Global support in this project:

Based on the success of previous and current Bank engagement in South Africa the Bank is in a position to assist implement this project. The aim of this assistance is to :

- Identify the route causes and threats posed to the conservation of the unique assemblage of terrestrial and marine assets in the project area. In the case of landowners an incentive framework will be implemented to assist landowners and communities to shift from conventional high impact low value agriculture to higher value lower biodiversity impact activities and incorporate into the GAENP.
- Assistance will be provided to develop and implement sustainable resource use policies which will be targeted at communities living in areas to be incorporated into the park or in surrounding areas.
- Building on the preparatory phase, support will continue to be provided to implement a bioregional and integrated ecosystem approach to the planning and management of the park including the terrestrial and marine components.
- Emphasis will be placed on maximizing the socio-economic benefits of the park for local communities and the private sector through targeted interventions including social ecology and concessioning processes. The Bank's CDD experience will be provided.
- Building on successes and experiences gained from the support to the Cape Peninsula National Park, the Bank will support the development of cost effective institutional and governance arrangements for park and project management. These will serve as best

- practice to be rolled out across SANParks.
- Continue to attract co-funding by building relationships with government and other funders and donors to leverage additional funds to the project.

E. Issues Requiring Special Attention

1. Economic

☐ Summarize issues below ☐ To be defined ☒ None

Economic evaluation methodology:

- ☐ Cost benefit
- ☐ Cost effectiveness
- Incremental Cost
- ☐ Other (specify)

None. The project has a sound economic rationale, and is cost effective. See Annex 4, Incremental cost analysis.

2. Financial

☐ Summarize issues below ☒ To be defined ☐ None

As part of project preparation more work is needed on the land incorporation and incentive framework to encourage landowners to contract into the Park. Sufficient investigations have been completed to indicate the viability of this proposal and further work is needed to develop a model. This will be prepared prior to Appraisal.

3. Technical

☒ Summarize issues below ☐ To be defined ☐ None

During project preparation several studies have been undertaken to plan and assess the merits of the Park. Studies undertaken include:

1. The assessment of the biological and physical information pertaining to the proposed Park including terrestrial, aquatic and marine components so as to inform an overall strategic plan. The study will specifically identify key conservation targets which need to be achieved and which in turn inform critical areas to be included into the GAENP proposal.
2. Undertaking a socio-economic assessment of the potential benefits of the Park through a participatory process including recommendations for institutional arrangements. As a component of the social assessment a scoping report has been produced highlighting key social issues.
3. A report to quantify the potential economic and financial viability of the GAENP.
4. The production of a strategic environmental assessment compliant to Bank requirements to both direct Park strategy and assess the impact and merits of the Park.
5. A detailed socio-economic profile of some farms in the proposed area of the Park as well as a report on potential for resettlement.

4. Institutional

The Project will adopt a fairly standard project management approach. Via working groups the project will ensure that project activities receive the ownership and integration with Park management structures which are needed to ensure the success of the Project. Further, provision is made to continue the public dialogue process for the Park through the established Addo Planning Forum which will be adapted into a Park Committee. Fora will also be established with landowners to engage them around incorporation into the Park and thereafter on Park management issues.

4.1 Executing agencies:

SANParks will execute the project on behalf of the recipient which is the South African Government.

4.2 Project management:

No special issues. Project preparation phase has demonstrated good project management experience. A separate PMU will be established for the project.

4.3 Procurement issues:

No special issues. SANParks has demonstrated highly satisfactory compliance to Bank procurement requirements.

4.4 Financial management issues:

As per South African government policy, funds will be deposited into the government RDP account where upon funds will be transferred to a SANParks special account. SANParks has demonstrated highly satisfactory financial management.

5. Environmental

5.1 Summarize significant environmental issues and objectives and identify key stakeholders. If the issues are still to be determined, describe current or planned efforts to do so.

The project is designed to conserve globally significant biodiversity and to have a positive socio-economic impact on the sub-region. The project has selected to meet EA requirements by undertaking a strategic environmental assessment. An SEA was selected above an EA, with Bank support, as the precise nature of the proposal could not be determined including Park boundaries. A forward planning instrument was also needed. Therefore, an SEA is a more appropriate instrument, still compliant to Bank EA procedures. The reasons for undertaking a category B assessment are as follows: (1) The project is located in a global biodiversity hotspot; (2) The project is of public interest and could without proper planning potentially impact negatively on the livelihoods of some inhabitants; (3) The project would benefit from an SEA to optimize the design of the proposal including through public and stakeholder dialogue and consultation; (4) The project entails land conversion from agriculture to conservation which in terms of domestic legislation requires compliance to domestic EA regulations at the point that such land use change occurs. Whilst EA domestic legal compliance for land conversion will in each case be sought through an application for EA exemption, an SEA will facilitate this process. The SEA process has involved extensive public consultation and reason to amend the EA category has not been found.

A key component of the SEA has been a social assessment via a public consultation plan. All key stakeholders have been consulted with specific provision made to consult with potentially

disadvantaged groups. The key issue to emerge has been a concern by some landowners with land incorporation into the Park and the impact on livelihoods. The project makes detailed provision through its design to not only address these issues but have mutually beneficial impact. The key instruments to achieve this will be the design and implementation of an incentive framework to landowners and communities to incorporate into the GAENP as well as community development and social ecology components. RAP's will be developed to comply with OP/BP 4.12.

The SEA will be presented for final comment to stakeholders in May 2002. (See Annex 7 for summary of environmental threats and Annex 10 for summary of the environment of the area)

5.2 Environmental category and justification/rationale for category rating: **B - Partial Assessment**

A precautionary measure has been taken to rate this as a category B assessment. OP 4.12 is triggered and the project will benefit from public consultation and input.

5.3 For Category A and B projects, timeline and status of EA

EA start-up date: January 2001

Date of first EA draft: December 2001

Expected date of final draft: Under preparation. Final due in April 2002

5.4 Determine whether an environmental management plan (EMP) will be required and its overall scope, relationship to the legal documents, and implementation responsibilities. For Category B projects for IDA funding, determine whether a separate EA report is required. What institutional arrangements are proposed for developing and handling the EMP?

The project intends to develop detailed plans to conserve and rehabilitate the biodiversity of the area. Project outputs will include the development and implementation of a conservation plan to inform a park development plan/ ecological management plan, and development of an environmental management system which includes park policies and procedures to manage and mitigate all park operations and potential impacts. Further, there will be detailed socio-economic and biophysical monitoring. Domestic EA Regulations will apply to development in the Park at which point an EMP could be required to mitigate specific impacts. An overall EMP will not add value to these project components and measures.

5.5 How will stakeholders be consulted at the stage of (a) environmental screening and (b) draft EA report on the environmental impacts and proposed EMP?

(a) and (b): an independent consultation plan was prepared and implemented to consult with all stakeholders during the screening and impact mitigation identification stage of the SEA. The consultation process has included scoping all key concerns, providing these back to inform the planning process and stakeholders and to include them in the final SEA report. The semi-final report will be presented to stakeholders in May 2002 for inclusion of final public comments and considerations. Extensive consultation was undertaken prior to Bank supported preparations indicating high level SANParks and public support for consultation. The Addo Planning Forum emerged during this process in 1998. See Annex 6.

5.6 Are mechanisms being considered to monitor and measure the impact of the project on the environment? Will the indicators reflect the objectives and results of the EMP section of the EA?

The project will entail the design and implementation of both biophysical monitoring and socio-economic monitoring systems to inform management operations and ensure that the project is beneficial. This information will also be included into the proposed EMS and reported back no less than once per annum through inter alia the GAENP annual report.

6. Social

6.1 Summarize key social issues arising out of project objectives, and the project's planned social development outcomes. If the issues are still to be determined, describe current or planned efforts to do so.

The key issue is to ensure that as far as possible the project delivers improved socio-economic benefits to communities inside and outside of the proposed larger park. Key outcomes are to include gainful employment, improved income levels for communities who currently live in the proposed park area and more secure livelihoods. The project therefore envisages employing local members of the community and providing training to shift from farming based employment to park and eco-tourism based work. SANParks is already implementing this approach on previously incorporated land. The project makes detailed provision to ensure that landowners and farmworkers have the option to benefit from incorporation into the park. The preparation of RAP's prior to appraisal will therefore act as a safety net in the event that certain individuals or families are unable to access or elect to participate in the incentivised land incorporation option. The project will make over \$6 million available from Working for Water and Poverty Relief funding which will provide considerable social benefits to communities in the area. This component will introduce CDD to SANParks and pilot it.

6.2 Participatory Approach: How will key stakeholders participate in the project?

Stakeholders will be able to participate at different levels. There is the Addo Planning Forum, to be transformed into a Park Committee, the production of RAP's, the development of the park social ecology and community development program, providing practical benefits as well as routine consultation on any issues which could impact negatively on the community.

6.3 How does the project involve consultations or collaboration with NGOs or other civil society organizations?

Consultations have taken place with civil society and with NGO's through public meetings and the Greater Addo Forum. The Forum will be transformed into a Park Committee. Detailed consultations will continue in all project components as needed.

6.4 What institutional arrangements are planned to ensure the project achieves its social development outcomes?

The community will be represented on the Park Committee and the project contains a special social ecology and community development component to ensure that the community benefits from the project. Monitoring of impacts will also take place with corrective actions taken. Bank supervision missions will also monitor social components of the project.

6.5 What mechanisms are proposed to monitor and measure project performance in terms of social development outcomes? If unknown at this stage, please indicate TBD.

The project will undertake a baseline socio-economic survey which will be used for planning

purposes and against which the results of regular monitoring will be measured. Monitoring is defined as a specific project sub-component. Bank supervision missions will pay special attention to the socio- economic monitoring results.

7. Safeguard Policies

7.1 Do any of the following safeguard policies apply to the project?

Policy	Applicability
Environmental Assessment (OP 4.01, BP 4.01, GP 4.01)	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> TBD
Natural Habitats (OP 4.04, BP 4.04, GP 4.04)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
Forestry (OP 4.36, GP 4.36)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
Pest Management (OP 4.09)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
Cultural Property (OPN 11.03)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
Indigenous Peoples (OD 4.20)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> TBD
Safety of Dams (OP 4.37, BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
Projects in International Waters (OP 7.50, BP 7.50, GP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)*	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD

7.2 Project Compliance

(a) Describe provisions made by the project to ensure compliance with safeguard policies which are applicable.

A Category B EA is being produced which integrates all specialist reports produced during project preparation. This has included a detailed survey of the socio-economic conditions on select farms and the production of a scoping report on resettlement. Due to the fact that some farm workers will fall within the scope of the resettlement definition, RAP's will be produced prior to appraisal for farms which are anticipated to be incorporated into the GAENP in year one. This will form the basis for a resettlement framework. The above-mentioned work together with SANParks data indicates that families are scattered at very low density over the project area. It is believed that considerably less than 250 families will fall within the requirements of OP/BP 4.12. It should be noted that the community development component of the project is likely to substitute the need for additional significant resettlement measures. Nevertheless SANParks is making budgetary provision, this being regarded as a key and "non-geable" item. (Annex 11 applicable SA legislation). It will be the *Bank's responsibility* to assess and reject or approve the RAP's.

(b) If application is still to be determined, describe current or planned efforts to make a determination.

RAP's are being produced which will better determine requirements in this regard.

8. Business Policies

8.1 Check applicable items:

- ☐ _ Financing of recurrent costs (OMS 10.02)
- ☐ _ Cost sharing above country 3-yr average (OP 6.30, BP 6.30, GP 6.30)
- ☐ _ Retroactive financing above normal limit (OP 12.10, BP 12.10, GP 12.10)
- ☐ _ Financial management (OP 10.02, BP 10.02)
- ☐ _ Involvement of NGOs (GP 14.70)

8.2 For business policies checked above, describe issue(s) involved.

F. Sustainability and Risks

1. Sustainability:

Background

This is a *low to medium risk* project as confirmed by the draft strategic environmental assessment due to its environmentally and socially beneficial planned impact, good financial basis, strong institutional leadership and government support. Importantly the project will support landowners and communities to make a land use conversion from unsustainable agriculture use to a biodiversity supportive eco-tourism use; a conversion which has taken place on over 400 farms in the Province. However, without project support to remove barriers this will not take place in and around the GAENP.

Environmental sustainability

The project goal is the conservation of globally significant biodiversity and reversal of land degradation. All project components are aimed at achieving this goal and no project objectives are opposed to the achievement of this goal.

Financial/economic sustainability

The project is being designed with the post GEF project closure scenario in mind. Financial simulations indicate that the Park will be financially viable by year 6. The project has strong co-funding from government, SANParks and private sector. GEF funding accounts for just 14% of project funding. Government will provide 30%, private sector 16% and the remaining 40% comprises the SANParks baseline funding and additional funding. Financial risk is well spread. Further, landowners accounting for over 16% of the land in the project wish to negotiate for Park incorporation on a contractual basis. The project will therefore focus on inter alia removing the barriers to further land incorporation by the remaining communities and landowners.

Social sustainability

The social sustainability goal will be achieved through two main design elements.

- The first design element will be through establishing an economically viable park which will provide an income and livelihood return to the community greater than the current returns from agriculture. This will greatly assist to enhance support for the park and create more stable and sustainable livelihoods. The proposed social ecology/ community development component of the project will lead this program.
- The second design element is to involve stakeholders in the Park and the project through consultative fora to ensure that support is maintained.

Institutional Sustainability

- The project is being executed by a strong, relatively well-resourced organization with a proven track record in protected area management. The SANParks has shown itself to be receptive to new innovations and the development of new institutional arrangements for the management of areas of biodiversity importance. Further, the SANParks has gained some experience in contractual park management through the Richtersveld National Park. It has also shown considerable skill in the roll-out of the Cape Peninsula National Park, its newest major park and which is receiving GEF support.
- The project also has considerable support inside of government as has been demonstrated by strong financial commitment to the purchase of land and provision of Poverty Relief funding.
- The project is designed to ensure that staff from the park will participate strongly in project execution through the project Steering Committee and the proposed Project Working Groups. This will ensure that the project is well integrated into the park operations and that a seamless transition is made from the project deliverables to their incorporation into routine park operations.
- The project has Government, stakeholder and SANParks endorsement.
- Based on these factors, the project will develop a Park development and management model which is replicable in other areas where conservation agencies wish to conserve and restore globally significant biodiversity and involve landowners and the community to share in the benefits.

2. Critical Risks (reflecting the failure of critical assumptions found in the fourth column of Annex 1):

Risk	Risk Rating	Risk Mitigation Measure
From Outputs to Objective		
Output 1. Community resistance prevents establishment of MPA	N	Consult widely and ensure clear communication and seek consensus model
Output 2. Baseline SANParks funds reduced	N	Monitor funding to the GAENP during supervision missions
Output 3. Personnel and financial resources diminished	M	As above. Staffing shortage poses higher risk and some outsourcing of functions may be needed.
Output 4. Accurate socio-economic data unavailable	N	Create own project baseline information
Constructive dialogue with community breaks down	N	Routinely assess adequacy of consultation and adjust accordingly
Output 5. Economic growth and visitor numbers decline	N	Reduce increases in operating budget and adjust plan roll-out
Social stability in Province declines causing reduction in visitors to the Park	N	Reduce increases in operating budget and adjust plan roll-out
From Components to Outputs		
Public support for MPA's lacking	N	Ensure proper communication to the public and seek consensus proposal
Community not willing to partake in	M	Create sampling techniques to reduce impact on

community surveys		statistics
Component 2. Component funds do not materialize	M	Adjust development horizons or increase private sector support in Park development
Landowner and community support for project declines	N	Address root causes of any declining interest and adjust incentive framework
Visitor numbers to Park decline	N	Assess reasons for decline and address causes and park strategy
Component 3. Staff inertia to introduction of new management systems	M	Provide in house support to introduction of new systems
Key support institutions shows inertia	M	Identify and address causes of inertia
Component 4. Effective communication to stakeholders not taking place	M	Monitor feedback on adequacy of communication from stakeholders and adjust communication accordingly
Community training not matched to community skills	N	Undertake proper skills assessment prior to training
Component 5. Component funds do not materialize for marketing	M	Either raise funds from other sources or share marketing with other initiatives to reduce costs
Private sector interest does not materialize in concessions	N	Assess reasons and adjust policy/ terms to make more attractive
Overall Risk Rating	N	Indications are that this is a low to medium risk project

Risk Rating - H (High Risk), S (Substantial Risk), M (Modest Risk), N (Negligible or Low Risk)

G. Project Preparation and Processing

1. Has a project preparation plan been agreed with the borrower (see Annex 2 to this form)?

☐ Yes - date submitted: ☒ No - date expected: 05/18/2002

2. Advice/consultation outside country department:

- ☒ Within the Bank: Kathy Mackinnon (9 ENV) / Phillip Brylski (ECSSD)
- ☒ Other development agencies: DBSA, Danida
- ☒ External Review: Mohamed Salhi (STAP Reviewer)

3. Composition of Task Team (see Annex 2):

Christopher Warner (AFTES, Task Manager), Christophe Crépin (AFTES, GEF Regional Coordinator, Africa), V.S. Krishnakumar (AFTQK, Senior Procurement Specialist), Hiep Quan Phan (LOAG2, Disbursement Analyst), Jose Janeiro (LOAG2, Disbursement officer), Aberra Zerrabruck (LEGOP, Lead Counsel), Iraj Talai (AFTQK, Lead Financial Management Specialist), Caroline Guazzo (AFTES, Project Assistant)

4. Quality Assurance Arrangements (see Annex 2):

Peer reviewers: Phillip Brylski, Senior Environment Specialist, Mohammed Salih STAP Roster

Quality Assurance Team: Richard Cambridge, Operations Advisor, AFTQK

5. Management Decisions:

Issue	Action/Decision	Responsibility

Total Preparation Budget: (US\$000) **Bank Budget:** **Trust Fund:**

Cost to Date: (US\$000)

☐ **GO** ☐ **NO GO**

Further Review [Expected Date]

Christopher James Warner
Team Leader

Agi Kiss
Sector Manager

Fayez S. Omar
Country Manager

Annex 1: Project Design Summary

SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
Sector-related CAS Goal: Enhanced livelihoods, poverty reduced and capacity built through enhanced natural resource management	Sector Indicators: Improvement in socio-economic status of community Increase in income from tourism Long term positive trends in status of biodiversity	Sector/ country reports: Joint WB/SANParks supervision missions (twice per annum) - mid-term review year 3 with external experts Socio economic surveys Biodiversity monitoring reports Annual GAENP report	(from Goal to Bank Mission) Country overall economic and political stability Tourism numbers lead to increased park income
GEF Operational Program: OP 1. Arid and semi-arid ecosystems management with strong relevance to integrated ecosystem management and biodiversity management	As above	Annual GAENP report incorporating state of biodiversity indicators M&E results	As above
Global Objective: <u>Project Development Objective:</u> To create the third largest park in South Africa around the existing Addo Elephant National Park by supporting innovative models involving landowners, the community and private sector in park operations	Outcome / Impact Indicators: 340 000 ha of globally significant terrestrial biodiversity and 100 000 ha of marine protected clustered around the AENP falling under protected area management All seed bearing alien plants removed from the Park by year 6 Employment in Park area shows 3 fold increase from pre Park situation Operational partnerships in all areas proposed for incorporation by year 6	Project reports: Joint WB/SANParks supervision missions Annual GAENP report SANParks Board minutes Regional economic and employment surveys	(from Objective to Goal) Local willingness of local community to participate in the project Adequate growth in national and international economy, especially tourism

	including alien clearing program		
	Game stocking		
	Land incorporated		
3. Capacitated park institutions and governance structures operational	SANParks GAENP structures fully operational	Annual GAENP report	Availability of suitable personnel and resources for the institutional structures
	Project management structures operational	SANParks Board minutes	
	Partnerships with landowners operational	Auditors' reports	Community support for Park Committee appointments
	Financial viability plan developed and under implementation	Steering Committee and Park Committee minutes	
	A user-friendly EMS suitable for this and other similar projects including management policies developed and implemented	EMS report	
	Monitoring and research undertaken		
4. Park related social ecology/community development program implemented	Socio economic baseline report produced	Annual GAENP report	Accurate socio-economic data can be compiled to monitor progress
	Job opportunities, benefits to effected communities, SMME's created in the immediate community by the project	Bank supervisory missions	
	Environmental education infrastructure and program complete within budgets and deadlines	Social Ecology Unit feedback and independent reports	Constructive dialogue with neighboring communities
	Annual increase in learnerships and internships offered	Steering Committee minutes	
5. Regional economic development benefits achieved	Increase of 5% pa in tourism in the area.	Market survey report indicate growth.	Adequate economic growth to sustain increases in tourism

through the project	<p>Increase in eco-tourism jobs surrounding the GAENP</p> <p>Increase in concessions in the park resulting in tourism infrastructure</p>	<p>Supervision missions</p> <p>Number of concession contracts</p>	<p>and private sector interest in concessions.</p> <p>Social stability makes area a preferred visitor destination</p>
<p>Project Components / Sub-components:</p> <p>1. Park planning</p> <p><i>Conservation plan</i></p> <p>Update and maintain the conservation plan for the park including terrestrial, marine, aquatic and cultural heritage resources</p> <p><i>Development plan</i></p> <p>Produce a prioritized and costed conservation management, rehabilitation zonation and infrastructure plan</p> <p><i>Monitoring system, research</i></p> <p>Design the environmental, park visitor/ tourism and socio - economic monitoring system, produce baseline surveys for future work and undertake research in marine, terrestrial and aquatic components</p> <p><i>Marine Protected Area</i></p> <p>Investigate and prepare plans including proclamation of Marine Protected Area</p> <p>2. Implementation of park development plan</p> <p><i>SANParks/ Park environmental Infrastructure provision</i></p>	<p>Inputs: (budget for each component)</p> <p>US \$.962 million</p> <p>\$67,000</p> <p>\$120,000</p> <p>\$468,000</p> <p>\$307, 000</p> <p>\$20.256 million</p> <p>\$13.170 million</p>	<p>Project reports:</p> <p>Conservation plan and report</p> <p>Development plan and report</p> <p>Specific project reports</p> <p>GAENP annual report</p> <p>EMS annual report</p> <p>Monitoring reports and survey findings</p> <p>GAENP annual report</p> <p>Supervision missions</p>	<p>(from Components to Outputs)</p> <p>Funding obtained</p> <p>Support for Marine Protected Area</p> <p>Community willing to participate in surveys</p> <p>Funding availability</p> <p>Landowner and community support for Park incorporation</p>

Implement the park development plan which includes: (a) the provision of all environmental SANParks infrastructure including roads, buildings fences, visitor facilities, signage; (b) rehabilitation schemes; (c) game introduction; (d) waste management systems; (e) equipment and vehicles (f) support to Marine Protected Area		Annual game capture reports	
<i>Land purchase</i>	\$5.34 million	Financial statements	Visitor demand increases
Implement land purchase strategy		Land incorporation agreements	
<i>Incentivised partnerships</i>	\$1.643 million	Presence of fixed and movable assets including register	
Implement the incentivised partnership framework to removing barriers to land incorporation			
3. Development and implementation of park institutions and governance structures	\$3.097 million		
<i>EMS</i>	\$493,000	Annual GAENP report	Expertise and funding available
Prepare and implement electronic environmental management system (EMS) which includes an overall corporate and sector polices in key areas as well as GAENP monitoring indicators		Annual EMS review	Cooperation of institutions from whom support is needed
<i>GAENP management structures</i>	\$1.480 million	Supervision missions	
Prepare and implement overall management structures for the park including, desired outcomes responsibilities, staffing, reporting lines, program competences		Presence of staff, equipment and fixed assets	
<i>Project management Unit</i>	\$757,000	Park budget and approved staff structure	

Develop and support project management unit (PMU) including salaries, equipment, offices and operating costs	\$63,000		
<i>Prepare a Park business plan</i>			
(financial viability plan with timeframes and targets and potential income streams and expenditure)	\$100,000		
<i>Knowledge management</i>			
Design and install electronic hardware and software to operate GIS, EMS and C Plan modules	\$204,000		
<i>Training programs</i>			
Prepare and implement training programs in relation to the above (cross cutting)			
4. Community development/social ecology component	\$8.078 million		
<i>Employment and economic benefits based on communal conservation strategies</i>	\$7.036 million	Specialist independent reports and survey findings	Effective communication pathways maintained
		GAENP annual report	Finance materializes
Initiate eco-tourism and environment related projects that can generate economic opportunities for the community		SANParks annual report	Training relevant to skills level as well as employment opportunities resulting from project
		Supervision missions	
		Financial reports	
Co-ordinate GAENP specific national projects such as Working for Water, Poverty Relief, etc.		Annual WFW reports	
		Annual Poverty Relief reports	
<i>Environmental Education</i>	\$158,000		
Increase the number of internships and learnerships available through the project			
Develop a GAENP environmental education center and programs			

Resettlement provision \$937,000

SANParks provision for resettlement if needed

5. Regional economic development and an enabling environment for tourism	US \$7.549 million		
<i>Marketing and product development</i>	\$894,000	Eastern Cape Tourism Board (ECTB) reports	Funding materializes
Conduct market research to determine visitor demand patterns and predictions for the park and develop and implement		PE tourism reports GAENP annual report	Market interested in concessions
<i>Concessioning and partnerships</i>	\$6.65m	M& E results GAENP annual report EMS	
Attract private sector investment through partnerships, concessions and commercialization opportunities			

Annex 2: Project Preparation Plan
SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

A. Core Project Preparation Team

Name	Bank Unit	Borrower Agency	Role/Responsibility
Christopher Warner	AFTES		Team Leader – overall responsibility for dialogue with the borrower, identification of team members, project preparation and design, hand-over from former TTL.
Christophe Crépin	AFTES		Overall support to project design and project preparation.
Iraj Talai	AFTQK		Lead Financial Management Specialist, responsible for review of Borrowers financial management capability and review of design of proposed financial management.
V.S. Krishnakumar	AFTQK		Senior Procurement Officer responsible for design of procurement requirements.
Hiep Quan Phan	LOAG2		Disbursement analyst responsible for all aspects of disbursement.
Jose Janeiro	LOAG2		Disbursement officer
Aberra Zerbruck	LEGAF		Lead Council responsible for all legal aspects of project design and implementation.

B. Project Preparation Activities

Key Outputs	Prepared by	Responsibility	Cost	Appraisal Requirement	Target Date
Feasibility Studies	CSIR and CES	SANParks		To be completed prior to appraisal	June 1, 2002
Environment Assessment	CES	SANParks		As above	As above
Social Assessment	CES	SANParks		As above	As above
Institutional Assessment	CES	SANParks		As above	As above
Project Implementation Plan (PIP)	SANParks	SANParks		As above	As above
RAP	Greg Huggins	SANParks		As above	As above

C. Specialist Tasks

Specialist Area	Level of analysis /Tools	Skills Needed	Key Output Document	Bank Review Target Date
Resettlement Framework	To meet Bank requirements	High level	Resettlement Framework	May 15, 2002

Annex 3: Project Processing Timetable
SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

Project ID: P064438		Key Dates	
Timetable step	Original	Plan	Actual
GEF Eligibility Confirmation	-	-	-
Concept Review	15-Jan-00	01-Mar-02	-
RVP/ROC/OC Signoff	-	-	-
PID to Infoshop	-	25-Feb-02	-
ISDS to Infoshop	-	-	-
PID Received by Infoshop	-	-	-
ISDS Received by Infoshop	-	-	-
GEF Council Approval	-	15-May-02	-
Decision Meeting	-	-	-
Auth Appr/Negs (in principle)	01-Apr-00	01-May-02	-
Updated PID to Infoshop	-	-	-
Updated ISDS to Infoshop	-	-	-
Updated PID Received by Infoshop	-	-	-
Updated ISDS Received by Infoshop	-	-	-
EA Received in Infoshop	-	-	-
Begin Appraisal	01-Aug-00	20-Jul-02	-
Send Notice/Issue Inv Neg	-	20-Jul-02	-
Begin Negotiations	-	20-Aug-02	-
GEF CEO Endorsement	-	15-Oct-02	-
Board Approval	28-Nov-00	15-Dec-02	-

Annex 4: Incremental Cost Analysis

SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

Background

The proposal to create the third largest National Park in South Africa to include 6 out of 7 of the country's biomes and a marine component has strong national support and a high level of co-financing. It meets both national ecological and socio- economic objectives.

1. Baseline scenario

The baseline scenario is assumed to primarily be the current SANParks budget to manage the existing AENP. However, under this scenario opportunistic foreign donor funding as well as additional government funding could materialize from time to time to purchase land. This is unpredictable and to some extent can not be assumed. The baseline scenario represents what will happen in the event of GEF funds not materializing. Elements of the baseline are therefore:

- Minor additional Park expansion with little focus on conservation of globally significant biodiversity in the terrestrial environment. Unsustainable agriculture would continue in the project area with some conversion to game ranching and eco-tourism but national and global biodiversity objectives would not be achieved. In fact, global biodiversity would continue to be lost through increased land degradation and unsustainable use of marine resources.
- Any model for Park expansion would focus to a greater degree on traditional land purchase to create an expanded area for the elephant and rhino population.
- Few opportunities would be provided to neighboring communities to participate in rehabilitation and works in the Park.
- Relatively less funding materializes from other sources.
- Park management structures and systems would replicate existing SANParks practice.
- SANParks would continue to meet its baseline commitment of approximately \$12 million to the Park.
- Some SANPark eco-tourism concessions would be granted to the private sector but short of the \$6,5 million under the GEF alternative.
- Few opportunities would arise for the neighboring communities to participate in opportunities in the Park.

2. GEF alternative

Under the GEF alternative the following main benefits will materialize:

- The GEF alternative scenario is approximately \$40 million. It will leverage approximately \$28 million in total. This includes no less than an additional \$3,5 million from SANParks as counterpart contribution in terms of additional staff support. SANParks will continue to support Park operations in the order of \$12 million. This will remain a critical counterpart contribution in the form of staff and equipment to support and execute the project. The project seeks \$5.5 million from the GEF which will be critical to both catalyse the additional investment and to undertake the planning, development and support needed to bring about the

GAENP. GEF funds are needed to support key elements including environmental rehabilitation, infrastructure and SANParks institutional reform. GEF funds will be used to implement the proposed incentive framework to encourage private landowners to incorporate into the Park. Since much of the Park expansion strategy is predicated on the success of this, it cannot materialize without GEF funds. \$6,5 million is expected from the private sector in the form of eco-tourism investments in infrastructure. This will arise from the proposed concessioning process. Approximately \$12 million will come from the Government of South Africa through the Working for Water and Poverty Relief Funding. This funding will largely support minor infrastructure and rehabilitation with beneficiaries including the local community. The GEF funds will provide some focus on CDD concepts and will introduce it to SANParks.

- Most importantly GEF funds will catalyse the conservation of globally significant biodiversity in both terrestrial and marine ecosystems through the creation of South Africa's third largest national park. The protection of this expanded area will allow reintroduction of native species which are extinct from the area, as well as rehabilitation of the degraded ecosystems.

By financing the incremental costs of these activities, GEF funding will complement domestic resources channeled through SANParks and other government entities, contributions from visitors to the park as well as other possible donations and private sector investment.

Components of the GEF alternative and incremental costs

The matrix below in Table 1 summarizes the baseline and incremental costs for the project.

Component 1. Planning system and support to monitoring, and research

Output : Conservation plan and planning system, development plan, surveys, monitoring and research component to support Park operations including in the marine and terrestrial environment.

GEF funds will be used to support the conservation and development planning process, the research and monitoring program and the planning and execution of the marine and coastal program. GEF funding is critical for this component, to carry out these activities. SANParks will provide counterpart funding for staff, basic research and monitoring.

Total costs of the GEF Alternative: US\$ 962,000. GEF funding \$500,000.

Component 2. Park infrastructure

Output: Third largest Park in South Africa developed with infrastructure to manage the marine, terrestrial and visitor environments. This will include buildings and visitor facilities, game relocation, roads, paths and a rehabilitated landscape. Land owners will have contracted into the Park. The marine component will be protected through deployment of patrol and monitoring equipment.

GEF funds will be used primarily provide support to the above components in the Park (\$1.74 million) and to support implementation of the incentive framework (\$1,920 million). Whilst no GEF funds will be used in relation to purchase of land, minor support will be provided to assist the legal aspects of contracting land into the Park.

Total costs of the GEF Alternative: US \$20.256 million. GEF Funding \$3.17 million

Component 3. Institutional development and governance

Output: Appropriate institutional structures will be established and capacitated, including management and business plans, an EMS, a monitoring system and a project management unit (PMU).

GEF funds will be used to support the overall development of this component as discussed above but not the operating costs of SANParks staff and GAENP which will be met by SANParks. GEF funds will support the operations of the project management unit (PMU), development of a financial plan to ensure sustainability of the Park and to introduce new management systems to the Park, which will be replicable in other SANParks.

Total costs of the GEF Alternative: US\$3.097 million. GEF funding \$1.0 million.

Component 4. Social ecology and community development.

Output : The main outputs will include a more socially viable community having benefited from park related employment through, eco-tourism projects, training, resource harvesting and environmental rehabilitation. The work undertaken will make a major contribution towards provision of park infrastructure and the expansion of the social ecology concept in the direction of community driven development (CDD). Any compensation in terms of resettlement action plans will fall within this component. GEF is not requested to fund this aspect.

GEF funds will be used to develop the environmental education component and to support review and monitoring of the Poverty Relief and Working for Water Programs. CDD concepts will be advanced

Total costs of the GEF Alternative: US\$ 8.078 million. GEF Funding: \$130,000.

Component 5. Economic development and an enabling environment for tourism.

Output : This will include developing a tourism, marketing and product awareness plan. The largest activity will be leveraging private sector investment in the Park via concessioning (\$6,50 million). Funds will also be used to support providing information relating to the incentive framework process.

GEF funds will be used to better market and provide information about the Park to both visitors and the community in order to increase its use and thus its income.

Total costs of the GEF Alternative: US\$7.549 million. GEF Funding: \$700,000.

Table 1. Incremental Cost Matrix

Component	Cost category	US\$ Millions	Domestic Benefit	Global benefit
1. Planning systems, research and monitoring	Baseline	.462	Minimal planning systems and capacity and little monitoring	Few global benefits being captured beyond black rhino population
	GEF alternative	.962	Planning systems developed to enhance national development and biodiversity objectives	Planning and monitoring directed to conserve globally significant biodiversity
	<i>Increment</i>	<i>.500</i>		
2. Infrastructure and development	Baseline	17.086	Park resources directed to maintaining current infrastructure and landowners continuing to undertake marginal agriculture	Some conservation of globally significant biodiversity taking place in the Park but losses outside on private land
	GEF alternative	20.256	Park meeting national infrastructure and biodiversity objectives	Park meeting global biodiversity and rehabilitation objectives
	<i>Increment</i>	<i>3.170</i>		
3. Institutional development and governance	Baseline	2.097	Status quo maintenance of Park institutions with use of existing management systems	Institutions not making a significant global contribution to biodiversity management
	GEF alternative	3.097	Institutional reform to support	Institutions developed to point

			achievement of national biodiversity and social development objectives	to be able to manage a global biodiversity asset
	Increment	1.00		
4. Social ecology and community development	Baseline	7.948	Little progress in social ecology and community development components	Community not positioned to make contribution to conservation of globally significant biodiversity assets
	GEF alternative	8.078	Significant achievement of local social ecology and community development objectives advancing in direction of CDD	Community positioned to support global biodiversity objectives and to benefit from increased tourism
	Increment	.130		
5. Regional development and private sector investment	Baseline	6.849	Domestic Eco-tourism continues to grow but little additional private sector investment in the Park	Overseas visitor numbers continue to increase but visitor facilities do not keep pace with international standards or growth
	GEF alternative	7.549	Significant private sector investment accommodates and grows local tourism providing Provincial benefits	Private sector investments accommodates foreign tourists, and boosts revenues to the Park and South Africa
	Increment	.700		
Total	Baseline	34.442		

	GEF alternative	39.942		
	GEF Increment	5.50		

TABLE 2: FUNDING SOURCES					
Funder	GEF	SANParks	Govt RSA	Private	Total
1. Planning					
Conservation plan	45,000	22, 000		67,000	
Development plan	95,000	25,000	0	0	120,000
Research and monitoring	300,000	168,000	0	0	468,000
Marine program	60,000	247,000			307,000
Sub total	500,000	462,000	0	0	962,000
2. Implement development plan					
Infrastructure	1,500,000	11,670,000	0	0	13,170,000
Land purchase	40,000	160,000	5,140,000	0	5,340,000
Incentivised partnership to landowners	1,630,000	13,000	0	0	1,643,000
Sub total	3,170,000	11,831,000	5,140,000	0	20,256,000
3. Institutional and governance					
EMS	70,000	423,000	0	0	493,000
Management structures	80,000	1,400,000	0	0	1,480,000
PMU	700,000	57,000	0	0	757,000
Business plan	40,000	23,000	0	0	63,000
Knowledge management	70,000	30,000	0	0	100,000
Training	40,000	164,000	0	0	204,000
Sub total	1,000,000	2,097,000	0	0	3,097,000
4. Social ecology and comm. Development					
Employment/poverty relief	30,000	146,000	6,860,000	0	7,036,000
Enviro education	100,000	58,000	0	0	158,000
Resettlement	0	937,000	0	0	937,000
Sub total	130,000	1,088,000	6,860,000	0	8,078,000

5. Economic development					
Market'g Concession/Private sector	650,000	244,000	0	0	894,000
Concessions/partnerships	50,000	105,000	0	6,500,000	6,655,000
Sub total	700,000	349,000		6,500,000	7,549,000
Total	5,500,000	15,827,000	12,000,000	6,500,000	39,942,000
Indication of previous external funding					
The GAENP initiative has been highly successful in attracting external co-funding in the past:					
TABLE 3: Summary of previous	funding				
Organization	Year	Amount	Activity		
IFAW's	96-2000	\$2,500,000	Land Purchase		
IFAW's	96-2002	\$60,000	Elephant project		
HSUS	2000-2002	\$500,000	Land purchase		

Annex 5: STAP Roster Technical Review
SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

From: Professor Dr. Mohamed A. Salih
To: Chris Warner
Ref: Greater ADDO National Elephant Park Project
Subject: Evaluation of Project Document Concept

Recommendation:

This is a well-prepared project concept, provides all the necessary material for a decision on commencing project preparation for an integrated multi-sectoral, multi-annual, multi-disciplinary environmentally, economically and socially long-term sustainable development project in the interface between poverty targeted interventions and *in-situ* biodiversity conservation.

The above recommendation is based on the fact that the project concept meets the following criteria:

KEY ISSUES

Scientific and Technical Soundness:

The project responds to the current debate on how to integrate environment into economic decision making to ensure the long-term sustainability of development projects, with a twin focus on poverty alleviation (or social sustainability) and biodiversity conservation. This integrated project concept is by necessity adopts a system approach that encompasses various ecosystems, multiple socio- economic activities and diverse stakeholders. Implicitly this approach is based on the increasingly accepted notion of sensible sustainability i.e. sustainability that requires the maintenance of natural capital with equal concern with sustainable levels and types of economic activity and natural resources (pp. 6-10 and 30-32). Biodiversity conservation for community development, and poverty alleviation, the immediate concern of this project, is another contemporary theme in sustainable development in the scientific debate.

The project integrates sound scientific knowledge with tested conservation technologies in the field of biodiversity conservation. Integrating environment into economic decision making on the one hand has further illuminated this, and biodiversity (values) conservation with human ecology/community interventions, on the other, is probably an area where the future of sustainable development projects lies. This project concept articulates these concerns admirably.

Identification of benefits and drawbacks

The project identify clearly the project environmental and socio-economic benefits (pp.15-16), with a clear focus on the conservation of a unique association of biodiversity in an arid

environment through an integrated ecosystem management, including the conservation of engendered Red Data Book species and reduce land degradation. Another set of benefits include poverty alleviation by stimulating economic growth, draw on foreign investment (ecotourism, increase local land value and environmental education.

Potential drawbacks have not been mentioned, but this is a matter for EIA, 'supposedly' part of the project preparation phase.

Regional context

The regional context (population, environmental resources, existing socio-economic activities are properly introduced and elaborated. Methodologically the project concept document provides sufficient information at the regional context also concerned largely with the biodiversity situation (thresholds, pressure and degradation), ecosystems, level economic activities and institutional and regulatory instruments (pp. 3-8). These factors (or context) are used to inform and hence develop plausible performance indicators based on the experiences gauged to-date (pp. 60-66) and South Africa's legal and institutional framework (pp. 67-71) for environmental policy making and implementation guidelines.

The intervention scope (biodiversity conservation) and focus (poverty intervention by creating the third largest park in South Africa around the existing Addo Elephant National Park) is clearly defined, as reflected in project design summary (pp. 34-40) and range of activities and outputs/outcomes attributable to the project (pp.15-16). The scope and focus also reveal that the project concept is based on pragmatic and realistic expectations driven from the current context and range of activities to already in place and anticipated risks and opportunities (pp.55-56) and will be extended through the activities of this project.

Replicability

The project concept document is based on a multi-layered methodology integrating GEF (global, with particular reference to Arid and Semi Arid Zone Ecosystems), CAS (national), SANParks (regional with reference to ADDO Elephant National Park) and human ecology community (local), is developed (pp.3-6). These in turn constitute an objective concerned with:

- (a) Creating an institutional framework for project preparation, appraisal and implementation, with a broad range of background material and information;
- (b) Developing partnership between diverse stakeholder (public and private sector and community and global environmental governance) as reflected in target groups (pp.16-17) and institutional and implementation arrangement (pp.17-19), a scope for financial management and M&E been laid out (p. 19).

This methodology is both replicable and complies with the norms universally accepted by bi and multi-lateral development agencies using integrated multi-sector approaches in development and environment projects for ecosystem maintenance for poverty intervention. It is conceivable that such a methodology should prove effective in similar situations given its plausibility and viability.

Relevance to GEF strategies

The project concept is conceived within at least three main policy strategies devised by the Government of South Africa. These are Country Assistance Strategy (CAS) for South Africa and the objectives of GEF Global Operational Strategy and the GEF Operational Programmes for Arid and Semi-Arid Zones Ecosystems.

In short, the range of project components and activities (pp. 10- 14) as well as the project concept objectives or rationale (p. 19) is commensurate with GEF objectives. Particularly, the project concept lies within GEF's enabling activities with the aim of preparing a project design leading to biodiversity degradation. (CBD) in lieu of Biodiversity Enabling Activity add-ons (BDEA add-ons). The project concept has correctly identified a number of species and ecosystems in an arid/semi-arid environment, which would benefit from the intervention. GEF's Guidance in relation to community participation, financial effectiveness, capacity building and appropriate technological interventions are methodically taken into consideration in preparing the project concept.

An indirect opportunity this project could provide is the enhancement of South Africa National Capacity for Self-Assessment (NCSA), with particular reference to enable the Eastern Cape Region to identify/determine technology and knowledge gaps in the field of biodiversity conservation. An allied field of development/environmental intervention is combating desertification and its consequences on biodiversity conservation in respect to sustainable development of arid and semi-arid lands.

Viable financial effectiveness indicators

The project concept combines potentially viable financial effectiveness and biodiversity conservation in a wide range of environment-cum-development activities. Financial effectiveness could be ensured if the utilization of the existing infrastructure and institutional capacity is efficiently managed (pp. 14-15). The project concept's emphasis on the role of institution, appropriate planning, synergy and co-ordination of new and already existing activities is plausible (pp. 17-19, and financial management (p.19). However, during project preparation special attention and careful development of institutional capacity to deliver new products while maintaining and repairing biodiversity degradation and loss is mandatory.

SECONDARY ISSUES

Linkages to other focal areas

What makes this project particularly attractive is the fact that it is an extension to ADDO Elephant National Park as well as the coast marine and ecotourism activities already in existence in the project area. The project concept provides a coherent socio-economic and environmental development prospect that is clearly consistent with the some of the major global initiatives. As an add-on activity, with direct relevance to other focal areas such as Desertification Convention, Climate Change Convention, arid and semi-arid lands rehabilitation, poverty alleviation and economic growth, it provides an ample scope for an integrated ecosystem maintenance and conservation.

Linkages and synergy with other programmes

At the national level, the project concept provides an integrated multi-sector framework which response to a number of inter-connected, mutiliered and cumulative environmental concerns. Programmes already in existence include the Greater Fish River and East London Spatial Development Initiatives, Coega Industrial Development Zone, Water and Poverty Relief programme, the White Paper on Tourism, with particular relevance to Eastern Cape and Reduction of Unsustainable Subsidies to the Agricultural Sector (pp. 5-6). All programmes do have varying degrees of potential impacts on biodiversity as well as enhancing the objectives of the Greater Addo National Elephant Park.

Stakeholders involvement

The project concept proposes concrete activities some of which already in existence with the aim of integrating biodiversity conservation intervention into the economy of the Eastern Cape, involving a partnership between the private and public sectors with the local community involvement. The adoption of an ecosystem approach integrated into a plausible planning and management approach safeguards the implementation of the project objectives, which involve diverse stakeholders with vested and also diverse, interested in the project.

The project concept advocates the idea of contractual parks that involve local communities as stakeholders, with landowner consent and concessional arrangements with the private sector (public private is laudable. Moreover, community participation as well as the participation of NGOs and civil society is very important. The project concept has correctly given sufficient space to these considerations to the role that these community-based institutions play in the project cycle. However, this issue has to be handled very early as the project document concept does not hide (end of p 14 to15) that, “Whilst landowner conversion to ecotourism operations is taking place in parts of the province, barriers prevent a significant number of landowners and communities from converting”. An added effort should be exerted to map out the barriers that prevent ‘a significant’ number of landowners from participating.

Further comments

Although this is an excellent project concept document addresses a pertinent and exceedingly

important area of interventions, the following aspects should be given added significance and be taken seriously during project preparation:

Technology and knowledge base, and Capacity-building aspects

The question is whether the existing technology and knowledge base are sufficient to support the project extension vertically and horizontally. If some technology and knowledge gap exist, to what extent would these affect the effectiveness of the input delivery system or the Environmental Education (EE) component of the project.

- Within the same vain, (p.15) point three under Environmental benefits, “ Cultural resources such as archaeological and palaeontology, are preserved”. These have not been budgeted for although they come at a cost, which is not properly reflected in the project concept. It could also be taken as a different project altogether.
- If technology and knowledge gaps do exist, capacity building to bridge knowledge gaps and technology to mitigate shortfalls should then be brought in and thought more carefully during project preparation.

Media and Communication

Under social issues (p. 23) the idea of effective communication network is highlighted. However, considering the proximity of this project to local communities, and private and public sector, communication and the role of the media should be given more emphasis and should also be properly reflected in project cost. Local and alternative media forms should be contemplated if the media and communication are to play a significant role in creating contact points point various stakeholders. Communicating the project benefits for the local communities and activists is mandatory in such projects considering the pressing issues with which it deals.

Annexure 5B. Response to STAP Review

Background

The above comments are found to be extremely supportive of the project in all aspects including at conceptual, design and proposed implementation level. However, the project document has been sharpened in light these comments as well as those from internal peer review. Additional information and elaboration has been added to the document which has altered the page numbers referred to above by the STAP Reviewer.

1. Identification of benefits and drawbacks

The reviewer notes that the document does not contain a specifics referring to potential drawbacks. *Whilst there is not a particular section on this the document does identify issues requiring special attention, threats to the success of the project and sustainability issues needing to be addressed. The potential drawbacks are therefore implicitly discussed in a number of sections throughout the document and how these are intended to be addressed. The project has through the SEA process identified potential drawbacks identified by the*

community and these have been factored into the overall design of the project. A case in point is the preference of some landowners to contract into the Park rather than sell their land to SANParks. This issue will during preparation result in the design of the incentive framework to landowners to contract into the Park. A further round of public consultation will be held as a part of the SEA process and any outstanding drawbacks which have not been addressed will be addressed prior to project appraisal.

2. Relevance to GEF strategy

The earlier version of the document sent to the Reviewer did not target OP 2. In light of the comments of the Reviewer and the proposal to establish a marine protected area to address marine and coastal issues the project is also being targeted at OP 2. The project will also achieve a number of OP 12 objectives but is better targeted at OP 1 and 2.

3. Technology, knowledge base and capacity building

The reviewer expressed a concern regarding the adequacy of the technology and knowledge base being for project execution and whether project preparation needs to better address this issue. The preparatory phase has been used to identify knowledge and technology gaps in SANParks and in the project area. Indeed significant gaps have been identified. It is for this reason that a detailed baseline conservation planning exercise has been undertaken to identify the critical ecological resources in the area as basis for planning of the terrestrial land marine environment. This has not addressed the cultural resources found in the project area but will be addressed during project implementation (component 1). Further, the project makes provision for updating of these components, the design and installation of an electronic management system under knowledge management and significant institutional and governance development (component 3).

The environmental education component of the project is being designed from a fairly low baseline and at this stage further information is not needed to prepare the project.

4. Media and communication

Concern is expressed with the level and methods of communication proposed in the project or rather the lack of elaboration and whether funding is sufficient. This is high level project issues and the project does intend to be innovative in its communication and to provide sufficient resources to address these issues. Component 5 has been better worded to reflect the project intention.

Annex 6: Institutions Associated with Project
SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

GAENP institutions

- The **Addo Planning Forum (APF)** was established in 1998 as a means of facilitating the interaction between the SANParks and interested and affected parties (I&APs) then associated with the park. It initially had 10 members (with the SANParks delegate acting as chairman) nominated from their constituencies, (representing local industry and big business, previously disadvantaged communities, conservation NGOs, Provincial DEAET, local government, and the farming community). It has an accepted constitution. As a result of the Stakeholders Workshop in February 1999 and further consultation with other I&APs as part of the PDF phase of the project, the APF was broadened to include representation from local government, national Departments of Labor, Land Affairs and Water Affairs, Eastern Cape and Port Elizabeth tourism boards, and the Sundays River Irrigation Board. Representation from farm laborers was considered very important but has proved problematic given the lack of any organized structure representing their interests. The forum meets a minimum of twice a year, or as issues required. To increase representation and handle diverse issues a number of subcommittees have been established such as the NGO, Farmer Unions and previously disadvantaged communities. It is envisaged that more of these will arise as the project develops.
- **Park Committee (PC):** Formally accepted component of the Park Management planning exercise (accepted by SANParks in 1999) as prescribed in the SANParks Corporate Plan. Members on the PC are nominated by local stakeholders through an independent consultative process. The PC role includes: a platform for participation in the park management exercise; advice; linkage with neighbors and other stakeholders.

Specific activities of such a PC would entail: election of a chairman; needs analysis of stakeholders and incorporation where appropriate into the management plans; identify gaps in policy; monitor plan implementation; promotion of SANParks and park.

National institutions

- **Department of Environment Affairs and Tourism (DEAT)** is the lead agent for environmental management in South Africa and is a key institution in the realization of GAENP.
- **Department of Water Affairs and Forestry (DWAF)** is interested in the land within the domain insofar as it is linked to its ownership of demarcated state forest land, the ownership of the Darlington Dam wall, the provision of water services and the conservation of water catchments.
- **Department of Land Affairs (DLA)** focuses on access to, and the development of, land.

This includes land redistribution, restitution and tenure reform. These issues will be central to the establishment of GAENP, particularly regarding contractual parks, buffer areas and resettlement issues.

- **Department of Agriculture (DA)** is an interested party in the process of land acquisition by SANParks as these acquisitions will, in the case of farmland, withdraw land from agricultural use and will require the consent of the Minister of Agriculture. The NDA's longer-term involvement is likely to include issues affecting agricultural water use and agricultural operations in the buffer zone.
- **Department of Provincial and Local Government (DPLG)** provides resources and support to local authorities in compiling Integrated Development Plans (IDPs) and will oversee the local authority's land-use regulation and planning, housing and township establishment, development planning and local economic development.
- **Department of Minerals and Energy Affairs (DMEA)** will need to give consent where mineral rights apply to land being incorporated as part of GAENP.
- **South African National Parks (SANP)** is the primary responsible body in the GAENP project.

Provincial, district and municipal institutions

- **Eastern Cape Department of Economic Affairs, Environment and Tourism** comprises a number of directorates with relevance to GAENP:
 - The Chief Directorate: Environmental Affairs (CD:EA)
 - The Eastern Cape Tourism Board (ECTB)
 - The Eastern Cape Development Corporation
 - The Eastern Cape Game Management Association (ECGMA)
- **Eastern Cape Department of Agriculture and Land Affairs** has the following structures with which GAENP will be involved:
 - The Sundays River Irrigation Board
 - The Eastern Province Agricultural Union represents approximately 150 Farmers Associations in the Eastern Cape.
 - The Eastern Cape Disadvantaged Farmers' Union represents the interests of black aspirant farmers in the province.
- **The Eastern Cape Department of Housing and Local Government** is involved with environmental issues.
- **Western District Municipality (WDM)** and Nelson Mandela Metropole and a number of Local Municipalities have jurisdiction over portions of the planning domain and have planning and conservation management authorities within their areas.

- Local NGOs such as the Community Environmental Network (CEN) in Port Elizabeth and the Port Elizabeth Museum are local institutions that form part of the conservation framework for the GAENP. In addition, there are a number of more specialized ‘environmental societies’, e.g. the wildflower society, the herpetological society, etc in Port Elizabeth that represent public interest in conservation issues.

Protected areas to be incorporated

The GAENP project includes a number of individual formally protected areas under a single conservation authority: This will strengthen the conservation status and practical management of these areas. Addo Elephant National Park is the core conservation area. Others to be added are: Woody Cape Nature Reserve, Tootabie Nature Reserve and the offshore islands.

Non-government organizations

A number of NGOs play a role in conservation management. The International Foundation for Animal Welfare (IFAW) has funded the purchase of approximately 5,676 ha of land. The Humane Society of the United States (HSUS), Wildlife and Environment Society of Southern Africa (WESSA), Rhino and Elephant Foundation and the Leslie Hill Succulent Trust also take an active interest in the proposed park.

Other national environment and development NGOs which may be interested and affected parties in the project include: South African National NGO Coalition (SANGOCO), Rural Development Services Network (RDSN), National Land Committee (NLC), Group for Environmental Monitoring (GEM), Kagiso Trust (KT), National Development Agency (NDA), Southern African Environment Project (SAEP) and Africa Resources Trust (ART).

The Greater Addo National Park Stakeholders’ Declaration

In recognition of the environmental significance and development potential of the proposed Greater Addo National Park; that is the magnitude of the biological, landscape and biome level diversity; a workshop was held involving a wide range of interested stakeholders on the 22 - 23 February 1999 to discuss the concept of the Greater Addo National Park. This workshop:

SUPPORTS the Greater Addo National Park concept
 RECOGNIZES the global importance of its biodiversity
 RECOGNIZES the potential for sustainable social benefits at the regional, national and global levels
 is AWARE of the urgency and need for progress on the Greater Addo National Park
 RECOMMENDS the continuation of the application to the Global Environmental Facility and other potential sources of funding, including national government
 RECOGNIZES the need to address all issues raised at the workshop, particularly the need for a feasibility study, the incorporation of stakeholder concerns, and clarity on

institutional structures and roles

CALLS for these issues to be integrated into a proper investigation, planning and communication process to be implemented by the restructured Addo Planning Forum
CALLS for the South African National Parks to drive the process in cooperation with provincial and other stakeholders.

Port Elizabeth 23 February 1999

Annex 7 : Environmental Threats Analysis
SOUTH AFRICA: Greater Addo Elephant National Park Conservation Project

Major Environmental Threats focused on biodiversity values and park development and management	Root Causes	Solutions including GEF intervention (numbers refer to LFA component addressing the issue)	Risks
1. Biodiversity losses, land degradation and ecosystem fragmentation around and impacting on the GAENP	<ul style="list-style-type: none"> · Historically landowners under-value biodiversity assets thereby permitting over-use and damaging land use conversion. · Past government's policies supported market choices to convert high biodiversity areas to agricultural use through direct and indirect subsidies. · Government supported inappropriate projects (e.g. dams) due to lack of recognition of biodiversity value and potential economic value. · Once landowners have converted land and become locked into conventional agriculture, lack of knowledge, access to financial and other resources prevents a switch to higher income earning lower impact uses. · Government lacks resources and capability to identify threats and root causes to biodiversity losses and how to create an environment which removes distortions and pro-actively supports higher income biodiversity supportive land uses. 	<ul style="list-style-type: none"> · Develop and support implementation of economically and ecologically more sustainable land use models through contractual park and other innovative arrangements (2, 3, 5) · Prepare park plan comprising terrestrial and marine components (1) · Develop greater regional cooperation, integration and planning, particularly at the local government level, to minimize inappropriate developments adjoining the park · Enhance communication and information dissemination around alternative land use options through stronger institutional arrangements and awareness and training (3, 5) · Enhance institutional capacity to support integrated planning and land use conversion and creation of marine reserve (3) 	<ul style="list-style-type: none"> · Landowners not persuaded of the income earning merits of land use conversion and contracting into the park · Should economic benefits not materialize the project will lose its attractiveness · Inadequate communication could distort understanding about the project thereby threatening its viability · Institutional arrangements between the marine and terrestrial components remain split preventing integrated management
2. Over harvesting and loss of marine resources	<ul style="list-style-type: none"> · Inadequate information base on marine resources to determine sustainable yields. · The public (primarily recreational fisherman) tend to 	<ul style="list-style-type: none"> · Either enhance information base or apply precautionary principle in absence of sustainable harvesting targets · Create an integrated marine 	<ul style="list-style-type: none"> · SANParks does not receive limited national resources to manage a marine reserve. · Public reject concept

	<p>consider unfettered harvesting of marine resources a public right.</p> <ul style="list-style-type: none"> · Legally compliant users of marine resources lack right to prevent illegal harvesting. · Poor enforcement of marine protection due to lack of state capacity. · Marine resources compromised by negative impacts in the catchment including limited pollution. 	<p>reserve and terrestrial protected area (1, 2)</p> <ul style="list-style-type: none"> · Create a public awareness campaign relating to the marine reserve (4) · Marine reserve to fall under SANParks and planning and regulatory components to be strengthened (1, 3) 	<p>of marine reserve.</p>
<p>3. Institutions and governance arrangements not capacitated to support biodiversity conservation and related economic benefits.</p>	<ul style="list-style-type: none"> · Lack of institutional capacity within SANParks to support a process to support land conversion to conservation use and to create an integrated terrestrial and marine reserve. This includes finance, knowledge and management systems. · Inter-institutional cooperation between national, provincial and local government is lacking . · Models and governance structures to integrate private sector and landowners into Park are currently inadequately developed. 	<ul style="list-style-type: none"> · Provide a once off package of institutional support to SANParks and governance structures to introduce proper planning, management systems, roll out of project development, and project management. (1, 2,3,4,5,). · Support project management structures for project execution and coordination. (3) · Support development of incentive and governance models involving private sector in the park. (2, 3) 	<ul style="list-style-type: none"> · General inertia amongst SANParks staff to support new package of instruments (behavioral inertia to change)

Annex 8: Potential of the GAENP
SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

Addo Elephant National Park's tourism role in the Eastern Cape

In this regard AENP alone attracted 114,000 tourists in 2001. The number of tourists to the park has been increasing at a steady 8% per annum since 1991 when only 51 000 tourists visited the park. But of importance in this number is the fact that over 50% of the tourists are from foreign countries, mainly Germany, Holland and United Kingdom. This high proportion of foreigners, almost twice that of those visiting Kruger National Park, is important from the point of earning forex and job creation. At the moment the AENP tourism product of self-catering units with a total of 140 beds is running at an average hut and bed occupancy of 97% and 67%, respectively, and employing a total of 39 tourism personnel. With the above wildlife product running on only 13,500 ha, or 11% of the total park area, the plan is to expand the ecotourism product to diversify the eco-experience and encourage the tourists to stay more than the present half to one day to at least three days. With planned developments boosting the number of beds to between 200 – 250, split between eight tourists facilities (four of which would be outsourced to concessionaires) throughout the expanded park and an average bed occupancy of 60% and catering for a total of 180 000 visitors per annum is expected to generate an annual income of US\$2.3 million for the park, as well as directly employing 360 people in the tourism aspects alone. Increasing hut occupancy between 10 - 20 % would further increase income by a further US\$0.08 – 0.16 million. This it is expected to have a positive knock-on affect in the local economy. In 1995 AENP was estimated to generate about US\$32 million through consumer surplus alone into the national economy from 75,000 visitors. With double the number of tourists, spending a longer time in the area there will be a positive impact on the local and national economy. Knock-on affects of the increase in tourism around Addo is reflected in the 10 fold increase in the number of private bed and breakfasts institutions around the park in the last eight years. The planned development of tourist lodges on adjacent contractual park land will also increase employment. For example the Kuzuko Game Farm employs seven times the number of staff previously employed on the 16,000 ha farm properties. Thus a total of 72 new direct jobs and a further 48 indirect/temporary jobs were created

Annex 9: Socio-Economic Context

SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

General

The Republic of South Africa is situated at the southernmost tip of the African continent. Since 1994, when apartheid ended and elections were held on the basis of universal adult franchise, the Republic has been a politically stable multi-party democracy. A two-chamber national government with certain governmental responsibilities also devolves to each of the nine provinces. The country is classified as a middle-income developing country with a modern economic infrastructure. It has an abundant supply of natural resources with well-developed financial, legal, communications, energy and transport sectors. The challenges facing South Africa are to use these resources in a sustainable manner to create a strong and balanced economy, to eliminate poverty, to develop a dynamic human resource capacity and engage itself in the world economy. In this regard, the Eastern Cape Province is the poorest of the country's nine provinces, with the highest unemployment rate in the country and thus in desperate need of development. It is also the province which offers some of the most substantial opportunities with regard to its natural resource base and biodiversity.

Population:

According to the 1996 census, the population of South Africa was 40.58 million people. Statistics from the census held in 2001 are not yet available, but it was estimated in mid-1999 that the population was 43,054 million of whom 22 million were women. In 1996, 76.7% classified themselves as African, 10.9% as white, 8.9% as colored and 2.6% as Indian/Asian. The Eastern Cape is South Africa's second largest of the country's nine provinces (169 580 sq km), with the third largest population of 6.7 million (16% of the total South African population) growing faster than the national average of 2.4%. The main urban areas are Port Elizabeth and East London. The GAENP project is situated 70 km from Port Elizabeth. The languages spoken are Xhosa, 83.8% and English, 3.7%. The province has a high proportion (43%) of people under the age of 15. This is likely to continue although the impact of HIV/Aids on the trend is not known.

The Eastern Cape has a high proportion of low paid workers. The economic diversity is confined mostly to agriculture, manufacturing, commerce and services, with the weight of this restricted to the main commercial centers of Port Elizabeth/Uitenhage and East London where the focus of the industrial and manufacturing sectors are in the motor industry. There is no mining and energy sector to speak of and the 800km of relatively undeveloped coastline supports a relatively small sea fishing industry. Although agriculture only contributes to 3.6 % of the economic output of the province it is important as an employer accounting for 13.2% of the labor force in comparison to 18% in the manufacturing sector. By far the largest contributor to the economy remains the community and social sector providing 27% of the economic input and 29% of the employees. The province has the highest unemployment rate (48% versus the national average of 34%) of all the provinces as well as a high labor dependency ratio (3.1% versus the national average of

1.9%). As part of the national government's overall economic strategic framework to stimulate economic development (through the GEAR program) in deprived areas such as the Eastern Cape, two Spatial Development Initiatives (SDI's) were identified for the region, namely the Fish River and the Wild Coast SDIs, and two Industrial Development Zones (IDZ's) - West Bank, East London, and Coega (see below) within those areas.

A survey of socio- economic conditions in the project area shows that rural wages on large commercial farms are low. The average wage for male workers on commercial farms in the area (dairy, mixed) is approximately R550 per month. If females are included (the average female wage is R141.20) the average drops to R282.00. Research has shown that certain agricultural practices, particularly pastoralism, are neither ecologically nor economically sustainable, thus undermining long-term social benefits. The future challenge lies in using the province's unique assemblage of biological and landscape diversity to provide more sustainable ecological and social benefits. In this regard the GAENP can play an important and model example of meeting conservation and social goals for the Eastern Cape and South Africa.

Much of the Eastern Cape Province consists of the former apartheid independent homelands of the Transkei and Ciskei. The population is largely rural - only one-third of the people live in officially designated towns and city locations - but the population is dense in some places and 55% of people are functionally urbanized. In comparison with other parts of South Africa, population density is still relatively low. The Eastern Cape is politically stable. The rate of crime is lower in comparison with Gauteng, KwaZulu-Natal.

Annex 10: Environmental Context and Biodiversity

SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

South African environment

South Africa's surface area is 1,219,090 sq. km. Its coastline is swept by two currents, the warm south-flowing Mozambique-Agulhas which skirts the east and southern coasts and the cold Benguela that flows northwards on the west coast towards southern Angola. Consequently there are significant climatic variations in South Africa. There are two main relief features: an interior plateau and the land (generally an escarpment of varying height) between the plateau and the coast. In this area between plateau and sea there are three major subdivisions, the eastern plateau slopes, the Cape folded belt and adjacent regions, and the western plateau slopes. The average rainfall of South Africa is 464mm. The rainfall is unreliable and unpredictable, droughts are common and the rate of evaporation is generally high, exceeding precipitation. In addition, the soils of South Africa are unstable and around 500 million tons of topsoil is lost through erosion each year, largely because of poor land management.

Ecologically sustainable land use is crucial to the long-term welfare of South Africa. The Republic has among the world's greatest diversity of plant and animal species contained in one country and includes a large number of endemic species. It ranks among the upper quarter of the world's megabiodiversity countries. This remarkable richness is the result of the variety of the landforms, geology and soil types, as well as the mix of tropical and temperate climates. South Africa is the third most biologically diverse country in the world and is of major global importance for biodiversity conservation (1997, *White Paper on the Conservation and Sustainable Use of South Africa's Biological Diversity*). Some 23,404 vascular plant species occur within the boundaries of South Africa of which 80% are found nowhere else. In addition to the extraordinary wealth of plant life, 5.8% of the world's total mammal species, 8% of bird species, 4.6% of the global diversity of reptiles, 16% of the total marine fish species and 5.5% of the world's described insects are to be found on 0.8% of the land area. Faunal endemism is notably high amongst the amphibians (44%) and reptiles (31%). In terms of biomes, South Africa is world renowned, with a total of seven biomes, two of which, the Cape Floral Kingdom (or Fynbos) and Thicket, are restricted to within the country. The Cape Floral Kingdom is identified as one of the richest such areas in the world, while the succulent Karoo biome is of extreme importance because some 33% of the world's succulents are found in this area of South Africa alone.

Human activity has impacted on South Africa's biomes for many thousands of years. The pace and extent has varied with the centuries. Agriculture and urban development has transformed parts of the landscape. The country's rich biodiversity is under great threat with about 47% of South Africa's natural vegetation having been transformed. South Africa has the third highest number of threatened reptile, amphibian and invertebrate species. Although only 13% of its diverse mammalian fauna are considered threatened, the country is still noted to be among those areas under severe threat of extinctions. Among the vascular plants, southern Africa records the highest number of Red Data Book species (2,575 species) per unit area, exceeding countries like

Australia, India and Mexico. Thus, in the global context, South Africa with its rich biodiversity and increasing levels of threat makes it an area worthy of conservation attention.

Eastern Cape Province

The Eastern Cape is temperate rather than tropical and it is free of malaria. Much of the landscape of this second largest province consists of undulating hills. The surface area is 169,580 sq km, some 13.9% of South Africa. The proposed GAENP area covers approximately 400,000 ha, 340,000 ha in the terrestrial zone and 100 000 ha in the marine zone. The area falls within the recent demarcation of four local government authorities (municipalities) of the Western District Council, Blue Crane, Sundays River Valley and Ikweni. The closest towns are Port Elizabeth/Uitenhage, Jansenville, Somerset East, Paterson, Kirkwood, Addo and Alexandria. Rainfall within the GAENP planning domain varies from 250mm on the northern side of the central Zuurberg Mountains belt, to 1 200mm on the mountains and 900mm in the south eastern coastal section. The diversity of topography, the proximity to the coast, a diversity of soil types and its position at the boundary between major climatic zones has produced a range of landscapes and biodiversity of unique proportions, making the GAENP potentially the most diverse conservation area in southern Africa.

The diversity of abiotic conditions prevalent in the Eastern Cape has made the region the most botanically varied area of the country. It forms a major transition or tension zone between four of the subcontinent's five major phytochoria: the Cape, Afrotropical, Karoo-Namib and Tongaland-Pondoland. This is further witnessed by the convergence within the Eastern Cape of six (Nama Karoo, fynbos, savanna, grasslands, forests and thicket) of the seven recognized biomes in the country, with only the succulent Karoo biome missing. These biomes are all represented within a 120km radius of Port Elizabeth. Furthermore, within these biomes in the Eastern Cape, a total of 27 different vegetation types are represented, more than any of the other eight provinces of South Africa. Thus, at the level of the vegetation type and biome, biodiversity in the Eastern Cape is the highest in southern Africa. The GAENP should capture representation of most of this diversity.

Albany hot-spot

Albany has been identified as one of the eight biodiversity hot-spots in the subcontinent. Although the $\pm 2,000$ species and 10% endemism in the Albany hot-spot is not particularly high, the species-to-area relationship compares with the other southern African hot-spots, and it should be ranked among the world's most conservation-worthy areas. In addition, the transitional nature of the vegetation types within the Albany area, where many of the species are at their distributional limits, is particularly unique. This pattern offers ideal opportunities to test the factors limiting species distribution, which is of particular importance in studying the ramifications of global environmental change. Endemics within the Albany hot-spot tend to be mainly succulents from the succulent thicket vegetation types. For example 30% of southern Africa's succulent *Euphorbia* species are represented in the Eastern Cape, of which 48% are endemic to the region.

Coast and estuaries

In addition to the diverse terrestrial elements, the Eastern Cape's coastal, marine and estuarine components add further to the biodiversity richness of the area. The Eastern Cape is particularly richly endowed with river estuaries, several of which - such as the Sundays River (in the GAENP) - remain perennially open. The Sundays is unique in that it exits through the Alexandria dunefield and is also ranked as the eighth most biological diverse estuary in the country. The Eastern Cape marine component includes a diversity of sandy and rocky shores and two island groups, Bird and St. Croix islands (also in the proposed GAENP), add to the scenic and biological diversity of the region. This section of the South African coast falls within the South Coast marine biogeographical province (one of three identified) and has been independently identified in need of protection. Much like the terrestrial areas in close proximity to Algoa Bay, this section of the coast appears to be a transitional area of marine species from the cool temperate west coast and warm tropical elements and is particularly important for its diversity of bivalves, limpets and endemic fish species. Eastwards of Algoa Bay the proportion of endemic fish species rapidly declines. The continental islands are also important sea-bird breeding sites supporting the largest population of the vulnerable jackass penguin, *Spheniscus demersus*, and the world's largest gannetry of the South African gannet, *Morus capensis*. It also supports other conservation worthy species such as the endangered roseate tern, *Sterna dougallii* and South African oystercatcher, *Haemotopus moquini*. The islands also harbor the most easterly colony of the Cape fur seal, *Arctocephalus pusillus*.

Landscapes and biomes conserved by GAENP

The GAENP project plans to conserve representation of the unique range of landscapes and viable samples of six of the country's seven biomes (described below), but importantly this long-term conservation is dependent upon the inclusion of sufficiently large enough areas to include the critical processes (both abiotic and biotic) supporting the biodiversity pattern.

The proposed GAENP would conserve representatives of a wide range of landscapes, terrestrial biomes and aquatic systems including offshore islands (rare on the African coast), a river estuary, one of the largest coastal dunefields, coastal forests, inland moist and semi-arid plains, mountains, and perennial rivers.

Terrestrial biomes

- **Thicket:** Restricted to the South African eastern seaboard, only 4.5% of this biome is formally conserved. It is under immense threat from degradation as a result of unsustainable farming practices. It is home to important elephant and black rhino populations (both endangered species) that will increase in their international value as the park expands. The park will contribute to most of the conservation of this biome.
- **Nama Karoo:** This biome has a relatively high degree of endemism estimated to be about 18% of its 2 100 plant species. This biome is historically known for the mass movements of its once huge springbok populations, and will play an important part in the semi-arid processes characteristic of the northern dry Karoo plains. The area has been extensively degraded through overgrazing, principally by small stock, so much so that it was ranked as

the most degraded vegetation type in South Africa. It thus remains a conservation priority. Although it covers 28% of the country and 25% of the Eastern Cape, it remains poorly conserved with a meager 1.9% formally protected. The GAENP project will increase protection by about 60%.

- **Fynbos:** Fynbos vegetation forms the major component of the Cape Floral Kingdom, the smallest of the six Floral Kingdoms of the world. Although nationally, the Fynbos Biome is the second best protected biome in the country with about 12% formally conserved, the GAENP planned expansions will only marginally increase the amount of these vegetation types under conservation. More importantly, conservation of the mountainous areas has been noted to be a key area linking biological and abiotic processes between the lowland and upland areas of the park, critical to the long-term survival of many large mammal species. The biome remains under threat from flower collectors, agriculture, alien vegetation and changing fire regimes, so much so that 1700 (23%) plant species are threatened with extinction - the highest for any biome in South Africa.
- **Forest:** The Eastern Cape is particularly important in the conservation of the country's smallest biome, as it is home to 95% and 47% of the country's Coastal and Afromontane forests respectively. The fact is that they occur in small isolated patches under diverse management authorities, they are still under great pressure from exploitation, grazing and medicinal plant collection, so much so that more than 43% of the original areas have been transformed. The relatively isolated nature of the forest patches in the Zuurberg section of the GAENP makes them an important biological link between the eastern and southern Cape forest blocks. The Alexandria coastal forest is important in addition as it is the only forest that has a true mix of Tongaland-Pondoland and Cape elements together.
- **Savanna:** Although well preserved elsewhere in the country, the Eastern Cape savanna vegetation types are poorly conserved (0.3%), and the GAENP would increase them by a further 94%.
- **Grassland:** Forming the center of the livestock industry in the Eastern Cape, the biome has been placed under great threat, with an average of 58% of the biome having been transformed. The GAENP would increase the area of this biome under conservation by a further 50%.

Of importance in the conservation of the above biodiversity, is the need to preserve the ecological processes driving the system. To this effect the conservation planning undertaken as part of the PDF-B grant determined that about 70% of the planning domain was essential to meet these process needs. This emphasizes the point that to conserve those processes unique to this area with a full complement of African herbivores and carnivores indigenous to the region requires large areas under conservation. The means by which this challenge is to met requires innovation. (discussed below).

The area also contains an important fossil record and rock art which will be conserved through the use of the land for conservation purposes. Therefore there is no conflict with the proposed expanded conservation area and the geological and cultural heritage of the area.

Marine component

The proposed marine protected area (MPA) of the park includes the following important

attributes:

- Critical linkage between terrestrial and marine conservation areas to maintain important ecological processes, particularly the sandy beach - surf zone interaction important in diatom production, which accounts for 95% of Algoa Bay's primary production.
- Conservation of sandy beach ecosystems not adequately conserved in South Africa.
- Conservation of 280 macroalgae species, 38% of which are endemic to South Africa.
- The park will protect over 86% of South Africa's endemic marine invertebrate species.
- The area would offer protection to the highest concentration of endemic coastal marine fish species (34% of South Africa's endemic fishes).
- The MPA would also play a pivotal role in re-stocking surrounding waters with over exploited reef fish species.
- It would contribute greatly to South Africa's national goal of increasing the MPA from the paltry 5% to 20%.

Human Impact on the Environment

Human impact

The Eastern Cape has been considerably affected by human transformation of the landscape even though only 4.2% of the land in the province is cultivable, compared with 50% in Mpumalanaga. The ratio of grazing land to cultivated land is higher than in the rest of the country. There has been considerable land degradation as a result of this. With the decline in agriculture (now accounting for around only 4% of total GDP) full-time agri-business has meant an increase in farm sizes, increased specialization, greater capital investment and declining full-time employment. The situation in the Eastern Cape mirrors the agricultural sector as a whole.

Pockets of the Eastern Province have excellent agriculture and forestry potential. The Grahamstown-Alexandria area produces pineapples, chicory and dairy products, while the Sundays River valley is important for citrus. These areas will fall outside of the proposed expanded conservation area. In communal areas, rural communities, however, are dependent on cattle, maize and sorghum farming. Clearing of land further damages the low agricultural value of the land, diminishing conservation and biodiversity value. Considerable areas of the Eastern Cape require rehabilitation as a result of inappropriate land management.

The Eastern Cape has been slower than the Western Cape or Mpumalanaga to exploit indigenous plant species for international pharmaceutical or horticultural trade. An illegal trade in cycads poses a significant threat to the survival of a number of species. However, several *Aloe* species are used commercially (and provide employment) and sustainability is important in this regard.

The approval in December 2001 by the South African Government of the Coega Industrial Development Zone (IDZ) and its associated deep-water port in Algoa Bay, situated between the GAENP development and the city of Port Elizabeth, is professed to enhance industrial development and job creation in the area. This development forms part of the Government's

overall economic strategic framework as implemented through the local Fish River Spatial Development Initiative (SDI). Although the project has met with some opposition from environmental and other NGOs, the Coega Strategic Environmental Assessment (SEA) identified no 'fatal flaws' in the project. It is expected to have some positive impacts (in the form of increased regional economic activity) and there will be opportunities to mitigate negative impacts when EIAs are conducted for specific projects.

There has been another initiative by a cement manufacturer on land adjacent to the park. The developers have taken action to mitigate any impact on the GAENP project. Post project closure they will donate the 16,000 ha property to the GAENP initiative. The impact on the project area will be relatively minor.

Ecotourism - potential for sustainable rural livelihoods, income generation and community empowerment

Government statistics are not published for tourism as an independent industry. However, it is believed that tourism is growing at about 5% p.a. as opposed to a growth of less than 3% in the economy overall. 58% of foreign tourists visit the Western Cape compared with 14% to the Eastern Cape. South Africa's game reserves and protected areas are a major attraction for tourists: around 58% of foreign visitors experience some form of game-viewing. Only 4% of foreign tourists to the Eastern Cape, in January 2002, visited game lodges in the province, compared with 19% in Mpumalanga. (Grant Thornton Kessel Feinstein, Tourism Talk, *Journal of Southern African Tourism*, Vol. 1 No. 1).

The South African government has stated that its target for GDP generation from tourism is 10%. This would lead to the creation of 500,000 direct and indirect job opportunities. The contribution that tourism makes to the South African economy is not evenly spread across the provinces. The Eastern Cape has diverse attractions for tourism potential - the beaches, big game fishing, mountains, game reserves and hunting - but its share of the travel and tourism GDP is merely 8.2%, compared with 36.3% for KwaZulu-Natal, and 21.5% for the Western Cape. The potential for growth is therefore considerable. If the Eastern Cape is to increase its share of the national target market to 13%, this would lead to 65,000 more job opportunities - equivalent to the total presently employed in agriculture. The province is extremely well placed to synergise and benefit from tourists to other areas, e.g. the Western Cape generally and the Garden Route in particular. The GAENP has the capacity to capitalize on it's link to the Garden Route.

In addition, the Eastern Cape has the potential to develop its specific eco-attractions far more than has hitherto been done. The province is a preferred destination for foreign trophy hunters. There are 500 game farms in the province, more than double the number a decade ago. This indicates the extent to which the market is already moving from conventional agriculture towards the objectives of this project. Game auctions already generate substantial revenue. The GAENP would enhance eco-tourism greatly and enable rural people to generate revenue in both core and peripheral developments. Job creation from sustainable development is fundamental to government policy, as advocated in the Government's *White Paper on National Environmental Policy*, and its Reconstruction and Development Programme (RDP) and GEAR initiative.

The biodiversity in the six biomes within the expanded GAENP protected area presents a major opportunity for tourist development within the area and outside it. Synergy with other tourism initiatives, community-based or commercial, would be facilitated. The present low productivity of the agricultural sector provides the opportunity to diversify the economy of a major part of the rural Eastern Cape and enhance the economic returns per hectare. The Total Gross Income from pastoralism is estimated to be about US\$7/ha in comparison to the US\$8/ha from game farming alone and US\$30/ha for ecotourism type activities in the park. Areas under intensive dairy farming are estimated to have a TGI of about US\$307/ha, against which conservation would struggle to compete on purely financial grounds yet provide unmeasurable ecological services not provided by the cleared agricultural land. For this reason SANParks has realized that any expansion into the intensive dairy farming areas in the Alexandria area of the planning domain would need to be done in an innovative way so as not to make the region economically poorer, nor eliminate the locally important dairy industry. Dairy farming is restricted to the small high rainfall south-eastern coastal grasslands/mesic thicket and forest areas comprising 6% of the planning domain, while the remained (94%) of the domain is relatively poor productive agricultural land used predominantly for small stock with cattle (pastoralism). Studies have indicated that the average dairy farm employs on average about 15 laborers (i.e. 1 per 50 ha) while small stock pastoralism normally employs about half as many laborers six times as large a property (about 1 per 555 ha). Dairy farms generally appear to employ their workers at marginally higher wages of US\$35-60/month in comparison to the US\$32-US\$50/month on small stock farms, both of which fall short of the SANParks average monthly wage of about US\$116 -250/month for equivalent laborers. Moreover, dairy farmers on average appeared to have a further 1.5 farms under their management while the pastoral farmers had marginally fewer with on average).8 further farms. This indicates that on average about 50% of the farms in the domain are unoccupied by the land owners, which concurs with the fact that there has in fact been steady depopulation of the rural areas over the last decade which would account for the high formal urbanization level of 89% for the Port Elizabeth/Uitenhage metropole. Furthermore, only about 25% of the 36 farms purchased by SANParks in the last five years were occupied by the land owner, tenants or a laborer. Moreover, a preliminary estimate put the number of laborers in this 40,000 ha area at less than 25 in total (i.e. 1 labor per 1,600 ha). A similar situation was found by one of the potential contractual park owners who noted that only 2 (9%) of 23 farms purchased by them were occupied by the land owner and that there was a total of 12 laborers employed in the 16,000 ha (i.e. 1 laborer per 1,333 ha). This laborer: area ratio is three times lower than that initially estimated for the small stock farming areas. This indicates the general depopulation of the small stock farming areas within the domain where most of the current SANParks expansion has taken place and into which the park is planned to further expand as part of the GAENP project.

Thus the dominance of any existing single unstable agricultural economic sector (or the creation of another) would be avoided. The GAENP would span diverse economic sectors and provide employment well as varied sources of income. In addition, human skills would be enhanced, training in various fields provided or facilitated and a wider variety of job types and opportunities provided for. Moreover, the protected area would attract additional investment (foreign and local) of sustainable nature.

Government assistance in poverty alleviation would be available in a number of activities associated directly from project infrastructure creation and maintenance. The Work for Water and Poverty Relief programs alone are expected to provide collectively about US\$5.5 million in labor intensive projects within the park. The existence of the park and its proposed expansion plans were some of the prime reasons behind the successful awarding of the grants which are planned to both control the expansion of alien biota and other conservation aiding projects such as fence construction, road maintenance etc. Proximity to large towns through accessible transport would also generate opportunities for environmental education and sustainable development.

Annex 11: Legal and Policy Environment

SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

There are a number of policies and Acts which are applicable to the project or which the project will pilot to implement. (See Annex 8 for more details). Some of those with immediate relevance to GAENP are:

The Constitution

The South African Government has been making a concerted effort since the 1994 elections to consolidate and streamline national environmental legislation. The importance of the environment is reflected in the Bill of Rights in the Constitution as follows:

'... everyone has the right to an environment that is not harmful to their health or well being; and to have the environment protected for the benefit of present and future generations through reasonable legislative and other measures that 1) prevent pollution and ecological degradation; 2) promote conservation; and 3) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development'

National Environmental Management Act 107 of 1998 (NEMA)

The principles of NEMA include the following:

- Risk-averse and cautious approach applied to decision-making
- Weighing up of economic, social and environmental advantages and disadvantages of development activities
- Environmental justice
- Equitable access to environmental resources, benefits and services to meet basic human needs and ensure human well-being
- Responsibility for environmental health and safety exists throughout a product or project's life cycle
- Participation of all interested and affected parties
- Promotion of community well-being and empowerment
- Social, economic and environmental impacts of activities must be considered
- Costs of remedying pollution and environmental degradation must be paid by those responsible
- Global and international responsibilities relating to the environment must be discharged in the national interest

NEMA is currently under review and the new chapters will address the following:

- Obligations to CBA, CITES, RAMSAR, etc.
- Integration of environmental aspects into planning and economic processes through all

- three spheres of government
- Enforcement and regulatory framework
- Accessible and user-friendly law
- Classification and management system for protected and sensitive environments
- Reorientation to tourism and development (job creation and poverty alleviation)
- Rationalization of fragmented legislation
- Give effect to constitutional obligations and to policy imperatives
- Ensure linkage with policy strategies
- Provide framework legislation with extensive regulatory powers

National Strategy for Sustainable Development 2001 / 2002

- A strategic, participatory process will aim to strengthen planning, capacity and action for Sustainable Development
- The Strategy will identify gaps, overlaps and inconsistencies in policies relating to development and environmental management
- A NSSD is an obligation to Rio agreements

A Bioregional Approach to South Africa's Protected Areas 2001 / 2002

Goals:

- To increase the protected area estate in South Africa from 6% to 8% of the terrestrial land surface and from 5% to 20% of the marine and coastal environments
- Support the protected area network with programs designed to conserve biodiversity outside of protected areas
- Put in place a new legal framework for protected areas
- Restructure financing of conservation management in South Africa so as to be increasingly self-supporting, combining ongoing budget commitments with dedicated revenues from ecotourism and sustainable use strategies
- All sectors of South African society are full participants in management of protected areas and enjoy economic, social, cultural and other benefits from these areas.

White Paper for Sustainable Coastal Development in SA (December 1999 / January 2000)

Overarching principles:

- Recognition of the importance of the value of the coast (which includes previously overlooked values such as indirect use values)
- Sustainable development, which will require maintaining diverse, healthy and productive coastal ecosystems
- Co-operative governance and integrated management, which views the coast as a holistic system requiring shared responsibility for management.
- With the GAENP spanning terrestrial and marine environments it would allow the authorities to test the effectiveness and harmonization of new environmental legislation.

Land resettlement legislation

Legislation associated with resettlement issues are covered in a number of Acts as detailed below:

Upgrading of Land Tenure Rights Act 112 of 1991

This Act was promulgated in order to provide for:

Settlement and Tenure Issues:

- The upgrading and conversion into ownership of certain tenure rights, including leasehold, deeds of grants and quitrents.
- The transfer of land to full ownership of tribes, Labor Tenants and Farm workers:

The main objectives of the Upgrading of Land Tenure Rights Act includes the following:

- To provide for the protection of the security of tenure of labor tenants and those persons occupying or using land as a result of their association with labor tenants.
- To provide for the acquisition of land and rights in land by labor tenants.
- The rights and obligations granted to a labor tenant in terms of the Act is dependent upon whether the person or persons in question can be classified as a “labor tenant”

Definitions are as follows:

- A labor tenant can be defined as a person living on a farm and exchanging labor, for part of the year, for a limited right to the land for use for residential and agricultural purposes. The Act expressly excludes a “farmworker” from the definition of a “labor tenant”
- A farmworker is defined in the Act as “a person who is employed on a farm in terms of a contract of employment which provides that in return for his/her labor he/she is paid predominantly in cash or some other form of remuneration and not predominantly in the right to occupy and use land; and he/she is obliged to perform his/her services personally.”

Labor Tenants Act 30 of 1996

In terms of this section of the Act a person who was a labor tenant on 2 June 1995 has the right with his family members, to occupy and use that part of the farm, which he or his associate was using and occupying on that date.

- The processes and procedures required to lawfully evict and relocate labor tenants are prescribed here as:
- “Eviction” is given a wide meaning and includes the “deprivation of a right of occupation or use of land” A labor tenant or his associate can only be evicted in terms of an order of Court under the Act.

Extension of Security of Tenure Act 62 of 1997

The Act provides for the following:

Eviction of Labor Tenants:

- Measures with state assistance to facilitate long-term security of land tenure;
- Regulates the conditions of residence on certain land;
- The conditions on and circumstances in which the right of persons reside on land may be terminated;
- Under what conditions and in what circumstances they may be evicted.

The Act in effect provides for rights for different categories of occupiers and determines different procedures applicable in respect of termination of their rights and evictions of such categories of people. The rights and duties of an occupier include the following:

- The right to reside on and use the land on which he resided and which he used on or after 4 February 1997
- To have access to such services as had been agreed upon with the owner or person in charge, whether expressly or tacitly.

Eviction of Occupier:

- Where a person residing on land of another qualifies as an “occupier” in terms of the Act, eviction of an occupier may only be done on the basis of an order of the court following a termination of the right of residence, in compliance with the requirements of substance and form prescribed by the Act.
- The basic provision in respect of termination is that “an occupier’s right of residence may be terminated on any lawful ground, provided that such termination is just and equitable, having regard to all relevant factors.

Communal Property Associations Act 28 of 1996

The Act provides for:

- Disadvantaged communities to acquire hold and manage property in common.
- A qualifying community can on the basis of an agreement contained in a written constitution, form a legal entity, known as a Communal Property Association, to become owners of property including land, via the association.

Restitution of Land Rights Act 22 of 1994

The Act gives impetus to the land reform component of the right to property contained in the Bill of Rights of the Constitution.

The Act provides for the following:

- The restitution of rights in land in respect of which persons or communities were dispossessed under, or for the purposes of furthering the object of racially-based discriminatory legislation
- A person, or his direct descendent, or a community is entitled to restitution of a right in land if such person or community was dispossessed of a right in land after 1913 as a result of past racially discriminatory laws and practices.
- All land claims need to be lodged with the Commission on Restitution of Land Rights, which has to acknowledge receipt of such claims lodged in terms of the Act
- The Commission is required to investigate the merits of the claims and mediate and settle disputes arising from claims and refer claims to the Land Claims court.
- Land claims may be lodged with the national or regional land claims commissioners. Regional land claims commissioners are according to commission rules to keep separate rural and urban land claims registers and record claims lodged on a daily basis.
- The Constitution underwrites the provision of restitution of property in the Act, which includes restoring of a right in property and equitable redress, which may be in the form of compensation.

Prevention of Illegal Eviction and Unlawful Occupation of Land Act 19 of 1998.

The Act provides for the prohibition on unlawful evictions and lays down procedures for eviction of unlawful occupiers.

Annex 12. List of Acronyms
SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT

Acronyms	Meaning
APF	Addo Planning Forum
AENP	Addo Elephant National Park
GAENP	Greater Addo Elephant National Park
ART	Africa Resource Trust
CBA	Cost Benefit Analysis
CAS	Country Assistance Strategy
CBD	Convention for Biodiversity
CITES	Council for International Trade in Endangered Species
CBOs	Community Based Organizations
CEPF	Critical Ecosystems partnership Fund
C-Plan	Conservation Plan
CD:EA	Chief Directorate: Environmental Affairs
CEN	Community Environment Network
DEAET	Department of Economic Affairs, Environment and Tourism (Eastern Cape)
DWAF	Department of Water Affairs and Forestry
DLA	Department of Land Affairs
DEAT	Department of Environmental Affairs and Tourism
DA	Department of Land Affairs
DPLG	Department of Provincial and Local Government
DME	Department of Mineral and Energy
DANCED	Danish Corporation for Environment and Development
DBSA	Development Bank Southern Africa
EMCAs	Environment Management Cooperation Agreements
EMS	Environmental Management Systems
EE	Environmental Education
EA	Environmental Assessment
EMP	Environmental Management Plan
ECTB	East Cape Tourism Board
ECGMA	Eastern Cape Management Association
GEF	Global Environment Fund
GEM	Group for Environmental Monitoring
GEFSEC	Global Environment Facility Secretariat

GIS	Geographical Information System
GEAR	Growth, Employment and Redistribution
HSUS	Humane Society of the United States
IDZs	Industrial Development Zones
IDPs	Integrated Development Plans
IFAW	International Fund for Animal Welfare
IDC	Industrial Development Corporation
IFC	International Finance Corporation
IDA	International Development Assistance
ISDS	Integrated Social Data Sheet
I & APs	Interested and Affected Parties
KT	Kagiso Trust
LFA	Logical Framework Analysis
MPA	Marine Protected Area
M & E	Monitoring and Evaluation
MSP	Medium Size Project
NSSD	National Strategy for Sustainable Development
NDA	National Development Agency
NEMA	National Environment Management Act (1998)
NLC	National Land Committee
NGOs	Non Government Organizations
PID	Project Information Document
PC	Park Committee
PMU	Project Management Unit
PSC	Project Steering Committee
PWG	Project Working Groups
PSR	Project Supervision Rating
PDF	Project Development Fund
PIP	Project Implementation Plan
RAMSAR	Convention on Wetlands of International Importance especially as Waterfowl Habitat
RAP	Resettlement Action Plan
RDSN	Rural Development Services Network
RDP	Reconstruction and Development Program
SANParks	South African National Parks
SOEs	Statement of expenses
STEP	Subtropical Thicket Ecosystem Planning
SEA	Strategic Environmental Assessment
STAP	Scientific and Advisory Panel
SANGOCO	South African National NGO Coalition
SAEP	Southern African Environment Project

SC	Steering Committee
SDIs	Spatial Development Initiatives
UNCCD	United Nations Convention to Combat Desertification
WFW	Work For Water
WDM	Western District Municipality
WESSA	Wildlife and Environment Society of Southern Africa

Annex 13. GEF Focal Point Endorsement Letter
SOUTH AFRICA: THE GREATER ADDO ELEPHANT NATIONAL PARK PROJECT



DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND TOURISM
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Mr. Fayed Omar
Country Director
The World Bank Resident
Mission in South Africa
Pretoria

A24/1/2

Fax No.: 012 - 431 3134


Dear Mr Omar

ENDORSEMENT OF THE GREATER ADDO ELEPHANT PARK PROJECT (PCD)

I hereby wish to inform you that the Greater Addo Elephant Park project is an integral project within the South African integrated national protected areas programme of our GEF medium term priority framework. The South African GEF medium term priority framework has been endorsed by the Committee for Environmental Coordination and approved by the Cabinet.

It is clear that this project meets South Africa's national priorities in terms of the conservation and sustainable use of our biological diversity and as such I therefore grant my endorsement for this project and would appreciate it if you could facilitate the approval of funding for it.

Yours sincerely


DIRECTOR-GENERAL
and GEF FOCAL POINT
DATE: 23/3/2002

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