PROJECT IDENTIFICATION FORM (PIF) [1]

PROJECT TYPE: Full-sized Project
TYPE OF TRUST FUND: GEF TRUST FUND

PART I: PROJECT IDENTIFICATION

Project Title:	Kihansi Catchment Conservation and Management Project		
Country(ies):	United Republic of Tanzania	GEF Project ID:[2]	
GEF Agency(ies):	WB (select) (select)	GEF Agency Project ID:	P126361
Other Executing Partner(s):	National Environment Management Council (NEMC).	Submission Date:	March 13, 2012
GEF Focal Area (s):	Biodiversity	Project Duration (Months)	60 months
Name of parent program (if applicable): • For SFM/REDD+ ☐	N/A	Agency Fee ($):	598,054

A. FOCAL AREA STRATEGY FRAMEWORK[3]:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative Grant Amount ($)	Indicative Co-financing ($)
(select) BD-2 Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors	Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation.	Output 2.2: National and sub-national land-use plans (20) that incorporate biodiversity and ecosystem services valuation.	GEFTF	5,695,756	17,000,000
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
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(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)	Others		(select)		
		Sub-Total		5,695,756	17,000,000
		Project Management Cost[4]	GEFTF	**284,788**	1,300,000
		Total Project Cost		5,980,544	18,300,000

[1] It is very important to consult the PIF preparation guidelines when completing this template.
[2] Project ID number will be assigned by GEFSEC.
[3] Refer to the reference attached on the Focal Area Results Framework when filling up the table in item A.
[4] GEF will finance management cost that is solely linked to GEF financing of the project.

B. PROJECT FRAMEWORK

Project Objective: To mainstream biodiversity **c**onservation and sustainable management of the Kihansi catchment						
Project Component	**Grant Type**	**Expected Outcomes**	**Expected Outputs**	**Trust Fund**	**Indicative Grant Amount ($)**	**Indicative Co financing ($)**
Component 1: Mainstreaming biodiversity conservation in River Basin planning.	TA	1.1. Increased capacity to integrate biodiversity conservation in the management of the Rufiji and other river basins in Tanzania. 1.2. Ecosystem management priorities incorporated in Rufiji basin planning. 1.3. Best international practice in amphibian conservation shared and applied	i) Operational guidelines for mainstreaming conservation through coordination with local communities in developing basin level management plans. ii) Best practices for mainstreaming biodiversity conservation in Rufiji Basin management plan developed. iii) Improved collaboration to enhance and share best practices in endangered species conservation with CSO's and the Amphibian Specialist Group	GEFTF	1,595,766	5,000,000
Component 2: Sustainable management of Kihansi catchment ecosystems	INV and TA	2.1. Natural habitats knowledge base for the Kihansi basin improved 2.2. Critically endangered plant and animal species in the ecosystems within the Kihansi catchment conserved 2.3. Soil and water in Kihansi catchment conserved 2.4.Enhanced financing measures for conservation	i) Sub catchment conservation management plans for the Kihansi catchment developed and implemented. ii) Mapping of critical habitats and endangered species in the Kihansi catchment. iii) In-situ conservation plans for critical habitats and endangered species within the Kihansi catchment prepared and implemented (including pilot investments and provsion of small infrastructure, patrolling & monitoring equipments) as well as water and soil conservation activities iv) Training provided in amphibian reintroduction and chytrid mitigation v) Sustainable financing plan for conservation of Kihansi catchment ecosystems developed.	GEFTF	4,100,000	12,000,000
	(select)			(select)		

	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
Sub-Total					5,695,756	17,000,000
Project Management Cost[5]				GEFTF	284,788	1,300,000
Total Project Costs					5,980,544	18,300,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, ($)

Sources of Co financing	Name of Co financier	Type of Co financing	Amount ($)
National Government	Vice President's Office	In-kind	3,624,800
World Bank	IDA	Soft Loan	14,675,200
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Cofinancing			18,300,000

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1] - N/A

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (a)	Agency Fee (b)[2]	Total c=a+b
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources						

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

[2] Please indicate fees related to this project.

[5] Same as footnote #3.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1 the GEF focal area/LDCF/SCCF strategies:

The project will contribute to improved biodiversity conservation in Tanzania. It will support enhancing the environmental dimensions into the water resources management and development framework at the river basin level under the Water Sector Development Project (WSDP). WSDP is a $1,255 million sector wide program supported by numerous agencies, including $200 million IDA credit which aims at strengthening the water sector institutions for the integrated water resources management and improve access to water supply and sanitation services.

The WSDP project supports strengthening of integrated water resources management in the nine river basins in mainland Tanzania by focusing on establishing institutions, legislation, and regulations and putting in place integrated water resources development and management plans at the river basin level, including the Rufiji basin. The Rufiji basin covers 19 percent of the country and has an installed capacity of nearly 85 percent of the nation's hydropower generation capacity. The GEF financed activities would enhance the WSDP activities in Rufiji basin, in particular the Kihansi catchment, which harbors highly endemic and critically endangered species of global significance. The Rufiji basin, in general, and Kihansi ecosystem, in particular, forms part of the Eastern Arc global biodiversity hot spot in the Eastern Arc Mountains. The incremental GEF financing will address conservation challenges in the Kihansi ecosystem, including the specific investments for biodiversity and habitat conservation.

Tanzania has 28 percent of its land area under conservation and protection. Globally significant biodiversity exists in many of the world famous national parks and game reserves – Serengeti National Park, Ruaha National Park, Lake Manyara National Park, Ngorongoro Conservation Area, Lake Natron Game Reserve, Sadani National Park, Selous Game Reserve and Ugalla Game Reserve – all of which are water dependant and are biologically important ecosystems. The integrity of these ecosystems and the survival of species which occur in these ecosystems depend on environmental flows, the intricate balance in water that is left for habitat sustainability. In addition, Tanzania's freshwater resources include three of the largest lakes in Africa and the world – Lakes Victoria, Tanganyika and Nyasa. These are not only some of the very largest natural stores of freshwater but they have important fisheries that are economically and ecologically valuable. The sustainable management of lake basins is an important element of the IWRM.

The GEF funded activities within the project will integrate fundamental linkages between the availability of water and its allocation and uses for multisectoral needs including biodiversity conservation. The proposed activities to be funded by GEF will contribute to the achievement of the Biodiversity Outcome 2.1 – increase in sustainability in managed landscapes that integrate biodiversity conservation - by enhancing biodiversity conservation in the Kihansi catchment, of which 48 percent is under agricultural production.

A.1.2. For projects funded from LDCF/SCCF: the LDCF/SCCF eligibility criteria and priorities:

N/A

A.2. National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAs, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:

This project is aligned with the National Environmental Policy (1997), the National Wildlife Policy (2007) and the Environmental Management Act Cap 191 of 2004, which among others, stipulates that special attention be given to environmentally sensitive areas/fragile ecosystems. The project is also in line with National Water Policy (2002) and National Water Resources Management Act (2009) which mandates environmental flows and calls for conservation of catchment areas and integrated water resources management. Further, Tanzania has ratified the three key Conventions (CBD, UNCCD and UNFCCC) and has an obligation to ensure sustainable utilization of its biological and ecological resources and promoting conservation of critical ecosystems. Additional policies and strategies that support conservation activities include the National Biodiversity Strategy and Action Plan (NBSAP), the National Adaptation Program of Action for Climate Change and Urgent Strategy for Water Catchment and Land Conservation, Lakes and Dams. The project contributes to NBSAP's overall cross-sectoral goals and aquatic biodiversity goals. In particular, the project contributes to objective 3.3.1.5 – "Ecosystems and Species Conservation and Sustainable Utilization" – by conserving and sustainable management of the critical ecosystems in the Kihansi catchment.

PROJECT OVERVIEW:

B.1. Describe the baseline project and the problem that it seeks to address:

In 2006, the Government of Tanzania (GoT) adopted the Sector Wide Approach Program (SWAP) framework for implementation of the Water Sector Development Program (WSDP) (2006-2025), which incorporates all activities undertaken in the water sector in Tanzania, funded by various Development Partners (DPs) and GoT. The Program is implemented by Ministry of Water (MoW), Prime Minister's Office for Regional Administration and Local Government (PMO-RALG), and other Implementing Agencies (IAs), including 9 Basin Water Offices (BWOs), 19 Urban Water Supply and Sanitation Authorities (UWSAs), Dar es Salaam Water Supply and Sanitation Authority (DAWASA), 109 district and small town utilities, and 132 Local Government Authorities (LGAs).

The Government in collaboration with other development partners committed funds to finance the first phase of the program from 2007/8 to 2013/14 at a base estimated cost of USD 951 million. The Water Sector Development Project (WSDP)'s main aim is to strengthen sector institutions for integrated water resources management (IWRM) and improve access to water supply and sanitation services. The baseline project has four components: (i) Basin Level - strengthening of Water Resources Management Institutional Framework; (ii) Local Level – Scaling –Up of Rural Water Supply and Sanitation (WSS) Services Delivery to Meet MDGs; (iii) Utility Level – Scaling-Up of Urban WSS Services Delivery to Meet MDGs. Of which, Component 1 of WSDP supports strengthening of institutions for integrated water resources management through: (a) development of a sound water resources management and development framework in the nine river basins in mainland Tanzania; (b) promoting good governance of water resources through empowering the water users, encouraging participatory and transparent decision making, developing ownership to the user level, and granting secure water rights with responsibilities to the water users, community groups, local government, and Basin Boards; and (c) strengthening the capacity of basin offices to address transboundary water resource issues.

The key focus of Component 1 of WSDP are activities that address a balanced, equitable, and sustainable use of water for human consumption, hydropower production, food security, industry, mining, livestock, and water needs for the environment at the river basin and lake basin levels. Therefore, as designed the objective of this proposed GEF support is to mainstream biodiversity conservation into the management of the critical ecosystems within the Kihansi

catchment, a globally critical area within the Rufiji basin, for purposes of conserving globally critical habitats and endangered species to ensure the environmental sustainability.

Component 1 of the WSDP is comprised of three sub-components, of which the following two sub components provide synergistic and complimentary support to the proposed GEF financed activities:

- **Sub-Component 1A: Basin Level Water Resources Management:** addresses policy, legal, and institutional reforms for promoting integrated water resources development and management. It is supporting the establishment of the National Water Board, an apex body, representative of all key sectors of the economy, establishment of nine basin water boards and nine basin water offices, and the formation of catchment committees, and water user associations. It is also supporting the formulation of the Water Resources Management Act and regulations for water resources management (WRM).

- **Sub Component 1B: Integrated Water Resources Development and Management Plans -** is focusing on the preparation of integrated water resources development and management plans**.** These plans address multi-sectoral development and management needs for water and watersheds.

In summary, the baseline project is focusing on establishing institutions, legislation, regulations, and putting in place integrated WRM plans at the river basin level, including the Rufiji basin which is the largest river basin in Tanzania. Integrated WRM plans at river basin level incorporate broad natural resource management including protection of catchment vegetations. The proposed GEF project will be focusing on the Kihansi catchment, which comprises a relatively small (580 km^2) but ecologically critical portion of the Rufiji basin. The project will address soil and water management and conservation challenges at the operational level, including the specific needs for biodiversity and habitat conservation in the critical ecosystems in the Kihansi catchment. Best soil and water and habitat/species conservation management practices will be mainstreamed into other ecosystems within the rest of the Rufiji basin and other basins of conservation value.

B. 2. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

Global significance: An overarching objective of the WSDP is to promote multi-sectoral decision making including the integration of biodiversity conservation into water resource management in Tanzania. Yet biodiversity in Tanzania is unevenly distributed and is highly concentrated within the Eastern Arc Mountains, which extend from northeast through south central Tanzania. The Eastern Arc forests, which cover less than 0.2 percent of the country, contain 95 percent of the amphibian, 86 percent of bird, 67 percent of mammal and 21 percent of the plant species that are endemic to Tanzania and over one-half of all of the globally threatened species in Tanzania.

Because of the unusually high concentrations of endemic plant and animal species and because more than 70 percent of the original forest have been lost, the Eastern Arc Mountains have been declared one of 34 global biodiversity hotspots. Of these 34 biodiversity hotspots, the Eastern Arc Mountains contain the highest ratio of endemic plant and animal species to area of any hotspot, worldwide.

The Kihansi catchment is located in the Udzungwa Mountains which is the largest of the 12 Eastern Arc Mountains in Tanzania. The Udzungwa Mountains contain nearly one-half of all the remaining closed forest in the Eastern Arc Mountains and as result have the highest diversity of endemic and threatened plant and animal species of any of the Eastern Arc Mountains. Within the Udzungwa Mountains, ecosystems within the Kihansi area – which encompasses the Kihansi River and its catchment – are of global significance because of the unusually high number of highly endemic and critically endangered plant and animals species that occur here including the Kihansi Spray Toad (KST), which has the smallest geographic range of any tetrapod worldwide, less than 2 ha, and a new species of coffee and butterfly. The eastern half of the Kihansi Gorge is contained within the Njerere Forest Reserve. Other important protected areas that occur in the Kihansi catchment include the Udzungwa Scarp, Idewa, and Ihangana forest reserves. In addition, the Environmental Management Plan for the Lower Kihansi Hydropower Plant proposes that the Kihansi Gorge be designated a partial Game Reserve to be co-managed by TANESCO, the Wildlife Division and Rufiji Basin Water Office for watershed and biodiversity conservation.

Problem Statement: The incremental GEF- Biodiversity-funded activities would provide for the management of globally critical habitat and highly endemic and endangered species to be fully mainstreamed within the WSDP. Increasing rural population densities and the cultivation on steep slopes and on valley bottoms are placing high pressure on natural resources (soil and water) in the Kihansi catchment. These same activities are altering water quality and quantity within the catchment which in turn threatens many of the highly endemic plant and animal species which are found in the area. Changes to the physical environment of the Kihansi catchment also accentuate vulnerability to climate change through erosion of the resource base for climate-resilient livelihoods and of the buffering of extreme weather events.

Global Benefits: Natural ecosystems are critical to the overall functioning of the Kihansi catchment. In all cases, GEF financing will support incremental natural habitat conservation activities that will complement, enhance, and leverage baseline investments in river basin management, laying the foundation for environmentally responsible GoT investments in river basin planning and management elsewhere in Tanzania.

Catchment management plans to be supported by the proposed GEF project will not only support water and soil conservation activities, but also be piloting a world leading initiative to amphibian conservation through the control of amphibian diseases such as chytrid fungus that may have global implication. Incremental activities would complement and accelerate the first

reintroduction of an amphibian species back into the wild in the tropics where chytrid fungus is endemic. One-third of the world's 6,200 amphibian species are currently threatened with extinction, the largest proportion for any taxon. The primary threat to amphibian survival is habitat destruction. However climate change in combination with chytrid fungus is believed to potentially overtake habitat loss as the leading cause of amphibian extinctions over the next century. Since 1980, chytrid fungus has contributed to the extinction of 94 amphibian species worldwide, including the extinction in the wild of the Kihansi Spray Toad (KST), and another 379 anuran (frog and toad) species have been identified as at extremely high risk of extinction from chytrid fungus due to their geographic range. Ecologists have raised alarm that chytrid fungus now poses the greatest threat to biodiversity of any known disease. The knowledge gained from reintroducing the KST back to the Kihansi Gorge will be of tremendous global value and should greatly assist in the conservation of amphibian species worldwide.

GEF supported incremental activities will also allow for the development of an expanded program of conservation and management for the other highly endemic and critically endangered plant and animal species including coffee and butterflies found in the Kihansi Gorge. Conserving species with highly restricted geographic ranges is a global challenge because the best predictor of extinction risk worldwide among mammals, birds, amphibians, and reptiles is geographic range, with species having highly restricted geographic ranges being considerably more extinction-prone than species having broad geographic ranges.

Finally, GEF incremental support will allow for the integration of biodiversity conservation activities and programs into the planning and management of river basins elsewhere Tanzania at policy level. The lessons that are learned from the Kihansi catchment with regard to managing downstream terrestrial and upstream critical habitats for endangered species in the ecosystems within the Kihansi catchment will have global significance and will be incorporated into the catchment management plans in eight other river basins in Tanzania.

Proposed Project (GEF Alternative): The objective of the proposed GEF project is to mainstream biodiversity conservation and sustainable management of the Kihansi catchment. The project will comprise of two components in compliment to the Component 1 of WSDP:
Component 1*: Mainstreaming biodiversity conservation in catchment planning.* The focus of this component is on the integration of biodiversity conservation measures into the Rufiji basin management planning, capacity building and mechanisms for mainstreaming at a basin wide policy level. Selected key activities supported under this component will include i) developing operational guidelines for mainstreaming conservation in coordination and institutional (Government, Communities) roles and responsibilities in water resource management and river basin management plans; ii) up scaling of best practices for mainstreaming biodiversity conservation in the Rufiji Basin catchments and subcatchments; and iii) improving collaboration to enhance and share best practices in endangered species conservation with CSO's and amphibian specialist groups in endangered species conservation. The Wildlife Conservation Society (WCS), Toledo and Bronx Zoos, and the IUCN/SSC Amphibian Specialist Group are particularly active in the area and will allow both dissemination and exchange of lessons. Within the Rufiji Basin, the Ministries of Water, Natural Resources and Tourism, Agriculture and the Vice-President Office will be responsible for implementing the catchment basin plans that mainstream biodiversity conservation.

Component 2: *Sustainable management of Kihansi catchment ecosystems.* The focus of this component is on site level interventions in the Kihansi catchment within the basin to ensure that the natural habitats knowledge base for the ecosystems in Kihansi is improved and that the catchment can be managed sustainably over the longer-term. Key activities supported under this component will include: i) the development and implementation of sub catchment conservation management plans for the Kihansi catchment. The development of these sub-

catchment plans for Kihansi will be coordinated by the National Environment Management Council (NEMC) in collaboration with the Rufiji Basin Water Office (RBWO) and the 3 Local Government Authorities (Kilolo, Kilombero and Mufindi) in the Kihansi catchment. Each of the 20 villages in the Kihansi catchment is expected to implement the plan through the supervision of the Village Environmental Committee under the coordination of the Local Government Authority; ii) survey and mapping of critical habitats and species in the Kihansi catchment area. This mapping exercise will include critically endangered coffee, butterfly and amphibian species within the Kihansi ecosystem; (iii) pilot investments and provision of small infrastructure within the catchment area in line with the in-situ conservation plans for endangered habitats and species as well as a wide range of soil and water conservation activities[6] (iv) provision of training to local communities and key staff in relevant sectors on species conservation techniques (v) developing a sustainable financing plan for conservation of ecosystems in the Kihansi catchment to be utilized by NEMC, the Wildlife Division and RBWO. An options and feasibility study to determine a suitable financing mechanism for ensuring longer term conservation and management of the Kihansi catchment will be carried out, consistent with the GoTs priorities stipulated in the Environmental Management Act Cap 191. Within the Kihansi catchment, village councils, TANESCO, the Wildlife Division and RBWO will be responsible for implementing conservation activities and programs.

The project will be coordinated by the National Environment Management Council (NEMC) under the Vice President's Office (VPO) - Environment. NEMC has experience in the coordination of cross-sectoral activities as required for the proposed GEF project. In addition to the VPO, other key sectors that would be involved in the implementation of the proposed project will include the Ministry of Natural Resources and Tourism, Ministry of Water, and Ministry of Agriculture. All these sectors or implementing entities are funded by the government, and funds from the proposed GEF project will finance incremental costs including monitoring and evaluation of activities in the project area, which is quite remote from the center. Institutional strengthening will be provided to specific sector departments, which will be directly engaged with the project implementation, including the Wildlife Division, Waters Resources Division, Rufiji Basin Water Office, Division of Environment, Forestry Services, and NEMC. Capacity enhancement will also be extended to the Local Government Authorities in the Kihansi catchment including the Kilolo, Kilombero and Mufindi Districts.

B.3. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF).

The Kihansi River catchment is inhabited by communities of farmers practicing rain-fed cultivation. Low agricultural production due to unsustainable practices such as cultivation on steep slopes and on valley bottoms near water sources is leading to the siltation of river beds, reduction of water flows and increased water pollution. Furthermore, many farmers in the catchment use pesticides to control stem-borer disease in maize.

Therefore, developing and implementing an integrated pest management program to assist local farmers in controlling insect pests and the development of sustainable land use practices

[6] Water and soil conservation can be done through physical, biological and agronomic measures.

including the promotion of perennial cover crops such as fuelwood and fruit trees and the marketing of these products is important for maintaining water quality in the catchment, and thus central to conserving critical habitats and endangered species in the ecosystems within Kihansi catchment.

Primary project beneficiaries will be the rural populations living in and around the project site in about 20 villages upstream and downstream who will benefit from the maintenance of the natural resource base and ecological services, and ultimately from related livelihood opportunities based on small-holder agriculture, eco-tourism, etc. Inhabitants downstream of the the Kihansi ecosystem will additionally gain from increased flood protection. Ultimately, more sustainable natural resource-based industries will benefit the entire population of the Kihansi ecosystem, if not the country, through increased production of crops, wood fuels, hydropower, and tourism.

Women play a key role in management of a number of natural resources, including water and fuel wood collection, and transport. Improved management of these resources will therefore be particularly beneficial to women, and the GEF activities will follow gender-sensitive approaches developed under the main project. Water Users Associations within the catchment will include both female and male members and thus any decision-making regarding use of water will depend upon agreed action by both women and men. Finally the project will engage women in the project area in monitoring and evaluation of catchment conservation activities.

B.4 Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:

Potential Risks	**Proposed Preliminary Mitigation Measures**
Capacity and coordination by implementing agencies is weak.	NEMC has a proven record in implementing and coordinating LKEMP, TERDEP, and the GEF Africa Stockpile Project.
Failure to have environmental flow essential for maintaining endangered species and critical habitat due to political and economic pressure	Conditions in the legal agreements for the GEF Project will help ensure that Government continues its policy of full compliance with the Final Water Right (granted to TANESCO) essential to protecting critical habitats and endangered species. The GEF Project will strengthen the capacity of Government, as well as independent entities such as the University of Dar es Salaam, to monitor water quality and quantity and to ensure compliance with the Final Water Right.
Increased human-related activities that will adversely impact critical habitat and endangered species in the Kihansi catchment.	The project will emphasize community awareness and involvement in catchment management activities, alternative livelihood initiatives, and integrated pest management. Development and implementation of an integrated pest management strategy should further reduce farmers use and dependence on pesticides. Project activities will focus on involvement of stakeholders in planning and implementation of project activities and local building capacity to manage sub-catchments.
Insufficient resources to address emerging conservation challenges.	To assist the GoT ensure continuity of budget allocation to key implementing sectors of the project activities (Ministries of Water, Energy, Natural Resources, and Vice President's Office) the project will provide assistance to the government in preparing a Sustainable conservation financing plan to determine various financing options and determining the feasibility of establishing a financing mechanism for ensuring long term conservation and

	management of the Kihansi catchment.
More variable rainfall and warmer temperature are likely to have an adverse impact on the habitat and the endangered species in the Kihansi ecosystem.	The project will work closely with Rufiji Basin Water Board in the Ministry of Water to monitor hydrology of the system and water uses in the watershed and its impact on the ecology. Community-based planning in the catchment will be responsive to these findings.
Lack of expertise and experience related to biodiversity conservation in various governmental sectors.	The project will support semi-annual multi-sector meetings at a technical and senior policy level among the VPO and the Ministries of Water, Natural Resources and Tourism, and Agriculture for purposes of providing cross-sectoral technical and policy support necessary to mainstream biodiversity conservation measures.

B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

The project would use participatory stakeholder consultative process in the design and implementation of the project. As such, the project would initiate consultations with the following key stakeholders including Vice President's Office (coordination of environmental issues and focal point for GEF); Ministry of Natural Resources and Tourism (conservation and research of wildlife and forest resources); Ministry of Water (management of water resources and protection of catchment); Ministry of Energy and Minerals/TANESCO (water user for hydropower generation); Local Government Authorities (protection of water sources, monitoring Water Users Associations and improvement of livelihoods for riparian communities involved); rural communities in Kihansi catchment, which include 17 villages upstream in Mufindi and Kilolo districts and 9 villages downstream in Kilombero district; Local non-government organizations involved in conservation activities are the Wildlife Conservation Society of Tanzania (WCST), and MAI (local NGO – Mazingira Institute). At the international level key stakeholders include: The Wildlife Conservation Society, Bronx and Toledo Zoos, IUCN, and State University of New York, Syracuse in the US and North West University in South Africa.

A detailed social analysis will be carried out during project preparation and will be presented at the GEF CEO Endorsement stage which will provide further information on the consultative process and key stakeholders.

B.6. Outline the coordination with other related initiatives:

The Vice President's Office coordinates all issues related to environment and implementation of UN Conventions (UNFCCC and CBD). Activities in the Districts will be coordinated by the Local Government Authorities (Kilolo, Mufindi and Kilombero Districts), which also coordinates all other initiatives supported by the government and international partners at the District level. The proposed project will draw synergies from the Eastern Arc Mountains Conservation Endowment Fund (EAMCEF), which supports conservation activities in the Udzungwa mountains. The project will benefit from experiences drawn from payment for ecological services by CARE International in the Eastern Arc Mountains. Within the project area, other ongoing projects include: sustainable wetlands management supported by Danida in

Mufindi District; and participatory forest management activities in Mufindi Kilolo and Kilombero districts, also under Danida support. Downstream of Kilombero district, the project will draw synergies from the conservation activities in Selous Game reserve, a Ramsar Wetland Site.

C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

The World Bank has been requested to be the GEF Implementing Agency by the Government because of its considerable experience with environmental flow issues and biodiversity conservation in general and with the Kihansi catchment in particular. The design of this Project builds substantially on the knowledge and experience gained under the previous World Bank-supported Lower Kihansi Environmental Management Project (LKEMP) which closed on June 30, 2011.

Under LKEMP, Phases1 and 2, the following key results related to biodiversity conservation have been achieved: (i) establishment of a healthy and reproducing Kihansi Spray Toad (KST) captive population – the largest captive population (> 6000) of any critically endangered or extinct in the wild species, worldwide; (ii) the establishment of two amphibian captive breeding facilities in Tanzania and the training of staff, the first such facilities in Africa; (iii) restoration and maintenance of the spray wetland habitats; (iv) establishment of a Final Water Right which legally guarantees a minimum flow of 1.5 – 2.0 m^3/s to sustain biodiversity within the Kihansi Gorge; (v) expansion and strengthening of the spray irrigation system, (vi) development of an Updated Environmental Management Plan (EMP) for the Lower Kihansi Hydropower Plant; (vii) development and passage of the 2004 Environmental Management Act (EMA) and 10 implementing regulations; (viii) establishment of a new curriculum at the University of Dar es Salaam in conservation biology; (ix) training of 2 PhD and 2 MSc students in conservation biology; and (x) development with support from IUCN/SSC of reintroduction guidelines for the KST.

In addition, LKEMP catalyzed important reforms in water resources management, especially related to allocation of water for biodiversity conservation, which was a highly contested at Kihansi. The 2002 National Water Policy (NAWAPO) granted the environment the second highest priority in water allocation decision-making, only second to water for basic human needs. The 2009 Water Resources Management Act and associated legislation provided the legal basis for implementing NAWAPO. Four separate environmental flow assessments have subsequently been carried out on the Mara River feeding the Serengeti National Park, the Pangani River passing through the Mkomazi Game reserve, the Ruaha River that feeds into the Ruaha National Park, and the Wami River that feeds into the Sadani National Park. With support from IUCN, a critical review of environmental flow assessments of selected rivers in Tanzania and Kenya was published in May 2011. These baseline steps have laid out a strong policy and legal foundation to deal with a new but complex and highly contested process of allocating water for integrating biodiversity conservation into policy and regulatory frameworks.

Activities proposed under the GEF financing will enhance the sustainability of the achievements of the Lower Kihansi Environmental Management Project in mainstreaming conservation of critical habitat in the Kihansi catchment within the Rufiji basin.

C.1 Indicate the co-financing amount the GEF agency is bringing to the project:

The baseline WSDP IDA Credit (with a total envelope of US$ 200 million) will provide $14,675,000 from Component 1 which will be integrated with activities financed under the proposed project. The IDA cofinancing will be used for the preparation of integrated water

resources development and management plans**.** These plans address multi-sectoral development and management needs for water and catchments. Integrated water resources management plans cut across different resources and land use in the catchment and are quite critical for biodiversity conservation.

C.2 How does the project fit into the GEF agency's program (reflected in documents such as UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation:

The project seeks to contribute towards improvement of quality of life and social well being (Cluster II of the National Strategy for Growth and Reduction of Poverty included in UNDAF). The proposed project is aligned with outcome 1.3 of the Country Assistance Strategy (CAS), which underlines "increased sustainability and improved management of natural resources and climate change adaptation and mitigation".

The World Bank Country office has three staff (Senior Environmental Specialists) based in Dar es Salaam and a Senior Water Resources Specialist (with extensive international and Tanzanian experience on environmental flow assessment) based in Washington, DC, who jointly bring extensive knowledge, expertise, and experience required to support the Government on complex water-related environmental management and ecosystem conservation issues. The senior staff in the country are capable of implementing these proposed activities, with international staff (in Washington, DC) able to support environmental flow, water management, and biodiversity conservation issues. The project team also includes world-class expertise in conservation biology, particularly involving the Kihansi Spray Toad.

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

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

NAME	POSITION	MINISTRY	DATE *(MM/dd/yyyy)*
Dr. Julius Ningu	Director of Environment	VICE PRESIDENT'S OFFICE	MARCH 6, 2012

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	**Signature**	**DATE** *(MM/dd/yyyy)*	**Project Contact Person**	**Telephone**	**Email Address**
Karin Shepardson GEF Agency Executive Coordinator		March 13, 2012	Paola Agostini Regional Coordinator Africa Region	(202) 473 7620	pagostini@worldbank.org