



TYPE OF TRUST FUND: GEF Trust Fund
PROJECT IDENTIFICATION FORM (PIF)
PROJECT TYPE: Full-sized Project

PART I: PROJECT IDENTIFICATION

Project Title:	Enhancing the Forest Nature Reserves Network for Biodiversity Conservation in Tanzania		
Country(ies):	Tanzania	GEF Project ID:	5034
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5106
Other Executing Partner(s):	Tanzania Forest Services, Ministry of Natural Resources and Tourism	Submission Date:	August 7, 2012
GEF Focal Area (s):	Biodiversity	Project Duration (months):	60 Months
Name of parent program: For SFM/REDD+	N/A	Agency Fee (\$):	410,000

A. FOCAL AREA STRATEGY FRAMEWORK:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative grant amount (\$)	Indicative co-financing (\$)
BD-1: Improve Sustainability of Protected Area Systems	Outcome 1.1: Improved management effectiveness of existing and new protected areas	Outputs 1.1: New protected areas (6) and coverage (118,369 ha) of unprotected ecosystems Output 1.2: New protected areas (6) and coverage (118,369) of unprotected threatened species (34) and endemic species (195).	GEF TF	2,195,000	10,300,000
	Outcome 1.2: Increased revenue for protected area systems to meet total expenditures required for management	Outputs 1.3: Sustainable financing plans (11)	GEF TF	1,700,000	6,325,000
Sub-total			GEF TF	3,895,000	16,625,000
Project Management Cost(5%)			GEF TF	205,000	875,000
Total project cost			GEF TF	4,100,000	17,500,000

B. PROJECT FRAMEWORK

Project Objective: To expand, financially secure and strengthen the management of Tanzania's Forest Nature Reserve (FNR) network

Components	Type	Outcomes	Expected Outputs	GEF \$	Co-finance \$
1.Consolidation of network of Forest Nature Reserves	INV	<p>Forest Nature Reserve (FNR) Network is spatially configured and managed to conserve a representative sample of the four major high forest types in Tanzania (Guinea-Congolian, Eastern Arc, Southern Highlands and Coastal Forests): An operational FNR estate is expanded from 5 to 11 sites to 305,600 ha (increase of 118,369 ha from baseline of 187,231 ha*).</p> <p>*Baseline -four sites are already fully operationalised (Amani, Uluguru, Kilombero and Nilo FNR). Another is being gazetted and operationalised under a separate project (Rondo Plateau).</p> <p>Improved effectiveness of FNR management across all six newly operationalised sites (measured by METT) <i>METT scores increase from current average of 53 to at least 60.</i></p> <p>The threats facing FNRs (illegal logging, mining, bush-hunting, encroachment) are reduced across</p>	<p>(i) Forest NR Network Expanded: six new FNRs operationalised [Chome, Magamba, Mkingu, Uzungwa Scarp, Rungwe and Minziro],</p> <ul style="list-style-type: none"> ▪ Gazetment of five new Forest Nature Reserves (Mkingu, Uzungwa Scarp, Magamba, and Chome FNR in the Eastern Arc Mountains and Minziro in the Guinea Congolian Forests); ▪ Management Framework in place for all six FNRs: depending on specific site needs- staffing, participatory management planning, establishing multi-stakeholder Management Board; physical demarcation of boundaries ▪ Basic infrastructure and equipment in place (i.e. administrative office and ranger posts) ▪ Access agreements with local communities of designated access areas for sustainable use of non timber forest products: sustainable offtake determined, management measures prescribed, access monitored and enforced. <p>(ii) Capacity employed within the new Tanzania Forest Service to effectively deliver PA Management Functions across the FNR Network</p> <ul style="list-style-type: none"> ▪ Strengthening of enforcement [targeting illegal harvesting, poaching, mining, and encroachment]; improvement of national and 	2,195,000	10,300,000

Components	Type	Outcomes	Expected Outputs	GEF \$	Co-finance \$
		<p>an area of 305,600 ha **: ✓ <i>No net loss of forest area in all FNR forest blocks</i> ✓ <i>minimum 40% reduction of degradation in the nature reserves network by EoP compared to the baseline.</i> ✓ <i>Levels of illegal logging of high value timber reduced by at least 20%</i> ✓ <i>Hunting of rare and endemic Abbots Duiker, Sanje Red Colobus and Sanje mangabey reduced by half</i></p> <p>(** baseline and target values to be confirmed during further project preparation)</p>	<p>local intelligence system—to monitor threats; protocols for patrolling and reporting malfeasance; capacity to prosecute offences</p> <ul style="list-style-type: none"> ▪ Effective deployment of funds and human resources to address threats across the system ▪ Cost effective administration (including financial management and personnel administration) at TFS Headquarters, and Zonal Management Offices 		
2. Financial Sustainability of the Tanzanian Forest Nature Reserves PA system enhanced	TA / INV	<p>200% increase in operational budget allocated to 11 Forest Nature Reserves compared to the baseline of USD \$470,000 per year, (as measured by the financial sustainability scorecard).</p> <p>Earmarked self financing of Forest Nature Reserves from visitation, increasing from current \$89,000 (against \$470,000 p.a government investment in operations) to become equal to government contribution over five years.</p> <p><i>Increase in number of tourists from the baseline of 1,316 tourists paying to visit all Forest Nature Reserves in 2011 (1,100 in Amani FNR), to over 20,000 by EoP</i></p> <p><i>Increase in researcher days in nature reserves from the current c100 days per year, to over 500 per year by EoP</i></p> <p>Benefit sharing agreements functioning: Self-sustaining and profitable income generation activities from nature based tourism (home stays, guiding, handicrafts) in 20 communities across four Forest Nature Reserves where the potential for success is highest.</p>	<p>A national FNR System Financing Plan is developed, projecting the financial needs for FNR management over the next 10 years and outlining the strategies for meeting these needs from both a cost containment and revenue generation point of view. This will be based on business plans developed for all 11 FNR].</p> <p>An economic case is made for increased investment in the Forest Nature Reserve PA system by quantifying the value of FNR in terms of tourism and other use and non-use values, as well as the climate change risk management benefits [including maintaining critical stream base flows, avoided emissions and carbon sequestration]; deal flow facilitation with the Treasury increases budgetary appropriation.</p> <p>Tourism product for FNR network developed: (i) Marketing (to include dedicated national website, advertising, leaflets and posters for all nature reserves); (ii) infrastructure (construction of entrance gatehouse facilities; waste receptacles; interpretation and signage); (iii) camp sites</p> <p>Commercial investment in tourism engineered through private sector community partnerships [concessioning of services, inclusion of FNRs in tour itineraries of tour operators; specialised tour operations—i.e. bird walking and hiking; transport, accommodation and catering.</p>	1,700,000	6,325,000
Sub Total				3,895,000	16,625,000
Project Management				205,000	875,000
Total project costs				4,100,000	17,500,000

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 (\$)
Project Government Contribution	Ministry of Natural Resources and Tourism	Grant	15,000,000
GEF Agency	UNDP	Grant	1,000,000
NGO	Eastern Arc Mountains Conservation Endowment Fund	Grant	500,000
NGO	Various NGOs (WCS, WWF TCO, WCST, TFCG)	Grant	1,000,000
Total Co-financing			17,500,000

D. GEF RESOURCES REQUESTED BY AGENCY, FOCAL AREAS AND COUNTRY

GEF AGENCY	TYPE OF TRUST FUND	FOCAL AREA	COUNTRY NAME	Project amount (a)	Agency Fee (b)	Total c=a+b
UNDP	GEF TF	Biodiversity	Tanzania	4,100,000	410,000	4,510,000
Total GEF Resources				4,100,000	410,000	4,510,000

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1. THE GEF FOCAL AREA STRATEGIES:

Protected Areas provide the principal instrument utilised by the Tanzanian Government to conserve the nation's biodiversity heritage. Unusually, Tanzania's PA estate is comprised of a number of (sub) PA networks, managed by different agencies. These include networks designated to conserve wildlife (National Parks and Game Reserves) and those designated to conserve forests (Forest Nature Reserves, District Forest Reserves and Village Land Forest Reserves). Forest Nature Reserves (FNR) provide the highest conservation security of all of these networks, alongside National Parks, in that they cannot easily by law be degazetted¹. FNRs have deliberately been vested this added security—as the network has been constituted to conserve the most biodiversity-rich forests in the country. Yet, relative to the others, the FNR Network remains incomplete in terms of its spatial configuration (gazetted sites). Moreover, while some gazetted sites have received investment support to develop needed infrastructure and build management capacities, the system as a whole has not. FNRs are managed by the newly established Tanzania Forest Services (TFS). The TFS was established as an executive agency under the Ministry of Natural Resources and Tourism (MNRT) in 2009 (but not fully launched until 2012) to enhance forest management capacity. There is a need to strengthen the capacity of the TFS to manage FNRs.

The project is designed to strengthen the management effectiveness of the Forest Nature Reserve network—balancing the need to strengthen the administrative capacity of the new Tanzania Forest Services agency to manage the network, strategically expand it through the gazetting of new sites based on an assessment of conservation priorities for Tanzania, and place it on a more sustainable longer-term financial footing. The project meets GEF Biodiversity Objective 1 "Improved Sustainability of Protected Area Systems" (BD1) and specifically the BD1 Focal area Outcome 1.1 "Improved management effectiveness of existing and new protected areas" and Outcome 1.2 "Increased revenue for protected area systems to meet total expenditures required for management". By strengthening the FNR management structure, the project will serve to increase the overall effectiveness of the national PA system in which FNRs are a key component. The project, furthermore, directly contributes to achievement of the CBD Aichi Targets, in particular under the strategic goal C: to improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity. It contributes to Target 11 through increasing significantly the coverage and connectivity of the PA system in important regions with high biodiversity.

A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS: This project has been selected as an investment priority by the Tanzanian government following an extensive national stakeholder consultation exercise that assessed not only current needs, but also the extent that current investments build upon, and add value to, other GEF investments in conservation. Tanzania's Vision 2025 and guiding development paper PRSP 2 or "MKUKUTA" stresses the importance of developing a fully representative system of Protected Areas and highlights the imperative of ensuring concordance between PA management and local governance systems for land use management. In part this is due to the heavy economic reliance of the country on the foreign exchange earnings from tourism to the existing network of parks and reserves. Tanzania has produced a wide array of national strategies to support biodiversity conservation. The National Biodiversity Strategic Action Plan (NBSAP) underscores the importance of forest conservation—identifying key forest areas that need to be conserved to safeguard constituent biodiversity. These sites form the locus for action, on the part of Government to expand and strengthen the PA network; the most important of these sites, in terms of irreplaceable biodiversity importance are proposed for inclusion within the national FNR Network.

The project is also aligned with the Forest Policy (1998), the Wildlife Policy (2007), the Environmental Policy (1997) and the Tourism Policy (1999). Specifically, several major policies to strengthen Forest Management in Tanzania have been put in place over the past decade. Foremost is the Forest Policy, which was operationalised through the Forest Act No. 14 (2002) and the National Forest Programme (2001). These policy and legal documents have been accompanied by

¹ Registered on the WDPA variously as IUCN Category 1a or 1b PAs. Forest Nature Reserves require notification in Parliament before the Minister can degazette a site once legally notified—meaning in practice that degazetting a protected area is extremely difficult.

regulations and management guidelines. A major focus of the policy and enabling legislation has been on involving communities in forest management through the promotion of Participatory Forest Management across forest protected areas and forest areas on village lands. The Ministry of Natural Resources and Tourism is responsible for development of the forest policy, laws and regulations and overseeing compliance. Day to day management of the forest estate has been passed to the Tanzania Forest Services agency. The Environmental Policy calls for the conservation of natural heritage, including biodiversity; the Wildlife Policy for the conservation of wildlife habitats; while the Tourism Policy is steered by four defining groups of objectives: economic, social, environmental and cultural, all of which are relevant to this project: detailing a policy environment for the expansion of sustainable tourism opportunities (alongside preserving natural heritage for the sake of tourism itself), thus promoting the diversification of Tanzanian nature based tourism products.

B. PROJECT OVERVIEW:

1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:

Tanzania is a major repository of globally significant biodiversity, ranking amongst the top countries in tropical Africa in terms of the eco-regions represented, and in terms of overall species richness and the degree of endemism in the species register. Tanzania lies at the meeting point of six major bio-geographic zones (the dry Somali-Maasai, savannas, the Acacia-Commiphora woodlands, the Guinea-Congolian forest, the coastal forests and the scattered afro-montane/afro-alpine areas). Two areas are designated by Conservation International as Global Biodiversity Hotspots, these being the Eastern Afro-montane forests (Eastern Arc and Albertine Rift components) and the eastern African Coastal Forests. Tanzania also has eight WWF designated Critical Eco-Regions, namely the Albertine Rift Montane Forest; Kenya-Tanzania Montane Forest; Eastern Arc Forest; Southern Rift Forest / Grassland mosaic; Coastal Forest Mosaic; Guinea-Congolian Forest Mosaic; Acacia Savanna and Miombo Woodland. Over thirty major vegetation communities are recognized, housing more than 11,000 plant species- over >15% of which are listed as endemic. The species inventory includes 300+ mammal species, over 1100 species of birds, one of the largest avifaunas in Africa, with 56 species of global conservation concern, and over 360 species of herpetofauna, of which 99 are endemic. According to the IUCN Red List² Tanzania ranks 15th in the world in terms of overall mammal diversity, and 20th for amphibian species diversity.

Five high forest systems exist in Tanzania within these bio-geographic zones, each representing significantly rich gamma diversity: (i) The Eastern Arc Mountains, part of the Eastern Afromontane hotspot, and geologically ancient, dating back at least 30 million years and possibly 100 million years, have played an important role as refugia for plants and animals, and as centres of speciation over the millennia; (ii) the highlands of the Albertine rift, also part of the Eastern Afromontane hotspot, are a complex mosaic of mountain forests and montane grasslands. (iii) the Southern Highlands, part of the Southern Rift montane forest-grassland mosaic are a rich repository of montane forest and grassland biodiversity; (iv) the Rondo plateau, part of the Coastal Forests ecoregion includes a variety of biodiversity rich habitats including scrub forest, dry evergreen forest, woodland, riverine forest, and thickets and (v) the lowland Guinea-Congolian forest with representatives of the forest fauna found further to the West in Central Africa. These five high forest landscapes are unique in terms of the richness of gamma diversity therein, with considerable turnover of biodiversity across vast areas as well as high levels of species endemism. The endemism comprises both newly evolved species and ancient relicts that have their origins in prehistoric times when a continuous swathe of forest was present across the whole of tropical Africa. However, despite their diversity in the main these areas remain relatively unprotected.

The Tanzanian PA network is amongst the largest in Africa: covering 27% of the land area (almost 250,000 km²), it currently consists of 651 sites. The national PA system currently includes 16 National Parks, 34 Game Reserves, one Conservation Area (Ngorongoro), one Biosphere Reserve, and over 600 Forest Reserves, which together cover 1,744,900 hectares or more than 18% of the country. In addition, there are 14 Wildlife Management Areas and several hundred Village Forest Reserves which foster sustainable natural resource use but also often act as dispersal areas for wildlife.

The Forest Nature Reserve category was created under the Forest Policy of 1998 and the Forest Act No.14 of 2002. These legal instruments, and their associated regulations, provide the mechanism and guidance for management of FNR sites. The legal provisions state that the reserves are to be managed for protection of the forest habitat and the storehouse of species of plants and animals found therein. FNR have been defined to add additional protection above the category of district forest reserves at the most high-ranking forest sites in terms of alpha and gamma diversity, especially for the protection of endemic and threatened species. No extraction of woody materials is allowed (except in limited cases such as Amani FNR where access agreements for dead wood collection are in place). The network covers a proposed 305,000 ha of land across 11 PA sites, of which about 90% is forest and the rest is montane grassland. Four of the eleven sites have

² www.iucnredlist.org

been gazetted and operationalised³ and one site has been gazetted but has not as yet been operationalised (187,231 Ha). Five sites are awaiting gazettal and operationalisation, while one has been gazetted but not operationalised (118,369 ha).

The sites have been selected following a two step strategic planning process – the first for the Eastern Arc Mountains ecoregion held at Amani FNR in 2005 and the second – for the three other representative areas of high forests – held in Kibaha in 2007. All high biodiversity and forest ecoregions now have at least one FNR (either gazetted or proposed for gazetted). A systematic approach was employed during the planning process that aimed to define those reserves that were so biologically valuable that they needed to be given maximum protection. Selection criteria vary from site to site but include: to preserve habitats, ecosystems and species in as undisturbed a state as possible, to maintain genetic resources in a dynamic and evolutionary state, to maintain established ecological processes and to provide scientific research opportunities.

FNR Name	Composition	Forest type	Status	Biodiversity Characteristics and Ecosystem Values	Area (ha)
Amani	100% Forest	Eastern Arc – East Usambara Mountain Block	Gazetted 1997 Operationalised	Part of the East Usambara range. The two main forest types are semi-deciduous forests in the lowlands, particularly Mnyuzi Scarp and submontane evergreen forests in the mountains above 750 m, where rainfall is higher. 19 Site Level Endemic Species (AZE site).	8,380
Uluguru	75% Forest, 25% Montane Grassland	Eastern Arc – Uluguru Mountain Block	Gazetted 2008 Operationalised	Forms part of the Uluguru Mountains. Provides a crucial watershed for the Ruvu river which feeds into Dar es Salaam. Comprises sub montane, montane and upper montane forests, as well as grassland with swampy areas at Lukwangule Plateau, and Kimhandu and Lupanga peaks. Harbors elephant/ lion populations. 76 Site Level Endemics (AZE site).	24,115
Kilombero	50% Forest, 50% Montane Grassland	Eastern Arc – Udzungwa Mountain Block	Gazetted 2007 Operationalised	Part of the Udzungwa Mountains range. Provides a crucial watershed for the Kilombero valley, one of Tanzania's primary agricultural areas and a Ramsar site. 21 Site Level Endemic Species (AZE site).	134,511
Nilo	100% Forest	Eastern Arc – East Usambara Mountain Block	Gazetted 2007 Operationalised	Part of the East Usambara range – watershed for the city of Tanga. Forest block. Threatened species within the East Usambara Mountains include 35 vertebrates.	6,225
Chome	80% Forest, 20% Montane Grassland	Eastern Arc - South Pare Mountain Block	Proposed	Part of the Pare Mountains, the Reserve has a high catchment value due to the high rainfall and its extensive forest cover. Isolated Forest block.	14,283
Magamba	100% Forest	Eastern Arc – West Usambara Mountain Block	Proposed	Part of the West Usambara range, comprises sub-montane and upper montane forests, wetter than those of the Pare Mountains. Isolated Forest block. 2 known Site Level Endemic Species: the plant <i>Encephalartos sclavoi</i> and the bird species <i>Sheppardia montana</i> .	9,283
Mkingu	100% Forest	Eastern Arc – Nguru Mountain Block	Proposed	Part of the Nguru Mountains Isolated Forest block. There are seven vegetation types: lowland rain forest, sub-montane forest, montane forest, upper montane forest, drier-montane forests, heath and miombo woodlands. 13 Site Level Endemic Species	23,388
Uzungwa Scarp	100% Forest	Eastern Arc –Udzungwa Mountain Block	Proposed	Part of the Udzungwa Mountains range. Provides a crucial watershed for the Kilombero valley – headwaters to the Selous Game Reserve. Comprises lowland, submontane and montane forests.. 5 Site Level Endemic Species (AZE site). Occasional Elephant habitat.	32,763
Rungwe	75% Forest, 25% Montane Grassland	Southern Highlands	Gazetted 2009 Not operationalised	Provides a crucial watershed for the Usangu basin, the Great Ruaha River – headwaters to the Ruaha National Park, to Mbeya and Iringa regions. The mountain, (linked to the Kitulo-Livingstone range) provides waters to the entire Kyela Valley and its cocoa, banana, coffee and tea industries. 11 Site Level Endemic Species, including Africa's rarest monkey the kipunji (<i>Rungwecebus kipunji</i>), Africa's rarest forest antelope Abbott's duiker (<i>Cephalophus spadix</i>), and the Rungwe Galago	13,652

³ These FNRs all have site staff and basic infrastructure and equipment needed to fulfill their management functions.

FNR Name	Composit ion	Forest type	Status	Biodiversity Characteristics and Ecosystem Values	Area (ha)
				(Galagoidea spp.) a bush baby - one of the world's 25 rarest primates.	
Rondo Plateau	Coastal Forests	Coastal Forests	Currently being gazetted and operationalised	A coastal plateau and isolated forest patch, Rondo is important for widespread species such as elephant, buffalo, leopard, lion, zebra, hartebeest and spotted hyenas. There are 32 Site Level Endemic Species.	14,000
Minziro	Guinea-Congolian	Guinea-Congolian	Proposed	Minziro Forest Reserve is one of three protected areas in Tanzania where Guinea-Congo species are known to occur. The other two areas are Mahale Mountains National Park and Rubondo Island National Park.	25,000
Total Area					305,600

** A map of the FNR sites is attached to the PIF

Threats: Despite the government's efforts, Tanzania's biodiversity rich forests continue to be pressured by a number of human-induced threats. Specifically, three threats are extant:

(1) **Deforestation.** The rate of forest loss across all Tanzania forests is currently projected to be 91,200 hectares per annum⁴. Forest loss in the Eastern Arc Mountains and in the Coastal Forests declined between 1-2% p.a. in area between 1990 and 2000. Shifting cultivation and forest fires (often triggered by the former activity) constitute the main drivers of deforestation. In coastal areas, growing demand for biofuels has accelerated forest clearance and this is likely to be a major future threat. In the Guinea-Congolian forests, an influx of refugees from neighbouring countries has contributed to forest loss, as land has been cleared to make way for smallholder farms. Forest fragmentation is leading to greater insularisation within forest patches, and this will have adverse negative impacts on biodiversity over the long term. A few of the high forest areas of Tanzania still support populations of large mammals, such as buffalo, elephant, leopard, and even lion. In the Udzungwa Mountains – with two FNR (Kilombero and Uzungwa Scarp) – movement of large mammals occurs with the nearby Selous Game Reserves and Ruaha and Mikumi National Parks. The fragmentation of forests between these parks and reserves already constitutes a threat to the viability of these large mammal populations.

(2) **Forest Degradation.** Degradation of forests is partially caused as a result of the collection of firewood, building materials, charcoal and timber. The impact of charcoal production is exacerbated by the use of inefficient production methods.

Both afore-listed pressures strongly correlate with distance from urban areas, as urban proximity adds a commercial demand to community subsistence needs.

(3) **Hunting.** Bush-meat hunting has in some areas has impacted on large mammal populations mammals to the extent of only that only smaller species remain. The main hunting threat is from domestic consumption, for ungulates and primates (in Chome, Magamba, Nilo, (Uzungwa Scarp, Mkingu and Uluguru FNR), rather than external markets - with the exception of reported elephant poaching incidences in Kilombero FNR.

Tanzania is currently home to over 40.2 million people. Population growth stands at 2.88% annually. Over 80% of the population lives in rural areas, in more than 10,500 villages. High rates of poverty within forest-edge communities serves as a constraint to agricultural intensification (needed to increase crop yields on existing farm plots, rather than clear new land) and mean that there is a high dependency on natural resources to meet food, fuel and shelter requirements. Offsetting this is the fact that Tanzania's economy has grown steadily since major economic reforms were initiated during the 1980s. Tanzania has been listed by the IMF among the top eight countries in Sub-Saharan Africa in terms of future economic growth potential. Growth is being driven by mining, tourism, and the services industry amongst others. The private sector is a key driver of industrial growth and financial markets are opening up. This is creating work opportunities in urban areas and in the mines and catalysing an outmigration of people from the hinterland. In the longer term this is likely to reduce the dependency on natural resources—as remittances to rural communities increase incomes. This could potentially also spur agricultural intensification as new markets provide farmers with additional income and the wherewithal to intensify—although this will likely only happen if coupled with effective enforcement to deter forest clearance. At the same time, the new economic growth opportunities present challenges in their own right. Infrastructure development, including road improvement will make many forest areas more accessible for exploitation (particularly for charcoal). Moreover, there are likely new threats, from the development of commercial agri-businesses and bio fuel plantations. The Government faces the challenge of balancing economic growth with sustainability considerations. In this

⁴ FCFP R-PIN. (2009). This covers all forest areas, including the Miombo forests, and not just the four high biodiversity forest types.

regard, the FNRs are critical; not only are they critical storehouses of biodiversity, but they are also important watersheds. They are important in terms of assuring water security, on which food security and industrial growth potential depends.

It has been convincingly shown that protected areas in Tanzania, including Forest Nature Reserves and Forest Reserves have far lower rates of forest loss (nine times slower in the coastal forests and 2-3 times slower in the Eastern Arc) than surrounding non-protected lands. Moreover, populations of large mammals within protected areas are also maintained better than in surrounding, unprotected areas. Despite the challenges outlined above, protected areas remain a viable and successful conservation strategy, and will be used as the key vehicle for biodiversity conservation in the foreseeable future. Moreover, they will be a critical insurance mechanism to sustain biodiversity as growth creates new challenges.

Baseline:

The Long Term Solution is have effectively managed FNR network, that is representative of Tanzania's biodiversity. The Baseline project contributing towards this long-term solution and underpinning the GEF investment comprises two parts:

National Investment in PAs: Protected Areas provide the main incentive for visitors to travel to Tanzania. Tanzania's tourism earnings grew by 7.9 % to USD \$1.35 billion in 2011 compared to \$ 1.25 billion in 2010. These earnings accrued from 867,994 international visitor arrivals to the country in 2011, itself a rise of 10.9% in terms of visitor numbers from the previous year. Partly as a result of a solid rise in tourism over the last decade the PA estate is afforded a high priority for Government investment, aside from its biodiversity values. The majority of national investment into PAs is focused on the wildlife tourism portfolio, primarily through Tanzania National Parks. The total TANAPA budget per annum is in the range of \$56 million.

Traditionally, investment into the forest based PA system has been proportionally considerably lower. The total forest management budget for Tanzania is \$18.7 million per annum. As part of its strategy to develop the nascent FNR network, the MNRT through TFS has committed \$15 million over a five-year period to FNR network development. This amounts to approximately \$3 million a year. The current annual operational budget for Tanzania's gazetted and proposed Forest Nature Reserves is around \$470,000 for the management of over 300,000 ha of forest. The remaining c.\$2.5 million annually relates to expenditure at the wider TFS management level including the FNR unit administrative budget, transport and logistics, financial oversight of individual FNR, monitoring FNR management and conservation activities and salaries. The FNR network is cluster managed, split into four zones – northern, southern, eastern and western each managed by Zonal offices. These Zonal offices provide the management and monitoring oversight of the individual FNR and themselves report back to TFS headquarters in Dar es Salaam. Each FNR is managed by a Conservator who works to a defined set of action plans, work plan and budgets, defined on an annual basis in June-July.

The NGO community is providing targeted support to FNR, albeit not directly focused on PA expansion or operations, but associated support activities, particularly ecological monitoring and land use planning. These investments are not inconsiderable and are expected to amount to \$1 million over the 2013 – 2018 period. NGO involvement includes ecological baseline research by WCS in Mount Rungwe, support to Uluguru FNR by restoring the Bunduki gap corridor (WCST/WWF), to Amani and Nilo FNR to develop community buffer zones and for awareness raising (TFCG and WWF) and to Mkingu FNR on community awareness issues (TFCG). Minor support to FNR is provided in the form of student training agreements at Amani FNR and Kilombero FNR, where the facilities are used by the Tropical Biology Association and Uzungwa Monitoring Station respectively. The Eastern Arc Mountains Conservation Endowment Fund, having received support to cover operational and project costs from NORAD is as a result expected to be able to provide in the region of \$500,000 of investment capital to conservation projects focusing on the FNR in the Eastern Arc Mountains.

National Investment in Forest Management: A significant baseline investment is also being made in strengthening forest management in Tanzania (USD 16 million per year)⁵. This includes work on strengthening participatory forest management (PFM), a process whereby district held forests are passed over to communities to be managed jointly (Joint Forest Management) or wholly (Community Based Forest Management). A range of multilateral, bilateral and NGO-led initiatives to develop PFM - spearheaded by DANIDA - have provided support to the Tanzanian government, and investment continues across the country. Second, a significant investment is being made to render Tanzania REDD ready. REDD has linked in with national level forests but also with ongoing PFM processes, offering a potential solution for

⁵ This covers forest management more broadly, but is relevant to this protected area initiative in that it is building a more effective framework for planning, regulating and monitoring forest use and enforcing forestry regulations.

widespread financial sustainability of state and community managed forests alike. Receiving finance from the World Bank FCPF, UN-REDD (\$4.3 million), and NORAD (\$17 million), Tanzania has made substantial progress in building national REDD readiness. It is also a partner pilot country in the CARE/CCBA initiative to develop the 'REDD+ Social and Environmental Standard' for national REDD activities. This has been supported by an active civil society. Combined, these two trends are offering greater capacity to forest managers to better manage forests improve enforcement measures and ensure that a robust forest monitoring system is put in place.

Long-term vision and barriers to achieving it: The baseline activities, although significant, fall short of the proposed long-term solution of effective management of the network of FNR. A fully constituted and effectively managed FNR network would effectively safeguard a significant proportion of forest and montane biodiversity from existing threats.

The main barriers to achieving the long term solution are outlined below.

Barriers	Elaboration
<p><u>Management deficiencies in FNR management</u></p>	<p>The Tanzanian government has established an impressive system of PAs to conserve biodiversity. Support to wildlife-protected areas in particular has been strong, with Tanzania National Parks gaining an international reputation. Forest PAs on the other hand have neither enjoyed the same investment nor the same strategic input until recently. Although there has been significant investment in Participatory Forest management, focused at District Forest Reserves and Community Forests, the FNR network has heretofore received little direct support. Management effectiveness scores for the nine FNR that have METT data (from various years, 2005-2011) average 47.5, with gazetted FNR averaging 50 overall and those FNR pending gazettal and operationisation scoring only 44. This is sub optimal, and reflects weaknesses in the management arrangements. The creation of the new parastatal: Tanzania Forest Services offers an opportunity to reinvigorate forest conservation efforts in the FNR network and bring it, over time, towards the levels of the wildlife PA network in terms of effectiveness. Specifically, within the TFS structure, there is a need to strengthen the capacity of the TFS to manage the FNRs as a system using a PA cluster management approach administered through zonal offices. Each Zonal unit needs to have the capacity to plan and monitor PA functions, have a functioning administration and effective personnel management system. The cadre of PA managers working under the Zonal units of TFS need to develop an <i>esprit de corps</i>, and must be equipped with the skills to perform their duties.</p> <p>The current network of Forest Nature Reserves contains four sites that are gazetted and operationalised and one site that is undergoing the process of full operationalisation. That leaves six sites to be developed-- a significant barrier to the effectiveness of the Forest Nature Reserve network. This means these areas are at risk and this threatens the c.200 endemic species confined to these sites .To complete the Forest Nature Reserves network there is a need to finalise the gazettment of all sites, put in place protected area infrastructure at all sites, and provide relevant training to reserve management staff.</p> <p>Five of the FNR are now isolated forest areas. However, Six FNRs (Amani, Uluguru, Kilombero, Nilo, Magamba and Rungwe) have contiguous forest cover with neighbouring forest areas outside of FNR protection that are managed by surrounding communities. As a means to ensure these extended forest habitats are protected, even if to a lesser extent than under FNR management, Participatory Forest Management approaches have been initiated in all neighbouring villages with forest areas adjacent to the Amani and Kilombero FNRs already. However, further agreements are required for other FNR that have forest habitat outside of their boundaries. Participatory agreements such as these provide a means to extend the amount of forest cover for those FNR that are not isolated, yet benefits need to be made clear – especially in new FNR. Benefit sharing in those areas can come from a range of tourism and/or nature based livelihood opportunities including trade of non-timber forest products outside FNRs.</p>
<p><u>Insufficient sustainable financing across the network</u></p>	<p>The financing available to the FNR Reserves is not sufficient to engender effective PA management. The Government has expressed a commitment to increase budgetary allocations as new funds are brought on stream and as a mark of this, increased its budget allocations to cover staff costs for the FNRs that have been gazetted and operationalised. However there is likely to be a gap between what can reasonably be financed through the State and actual requirements. Moreover, there is a need to ensure that investments are effectively deployed to address site needs, looking at the system as a whole. This means that cost efficiencies are identified and fully tapped—making best use of available</p>

Barriers	Elaboration
	<p>resources. A significant barrier to the sustainability of Forest Nature Reserves is that there has been no national level financial planning for FNRs, which is needed to efficiently manage them as cost centres.</p> <p>There is a need to diversify sources of PA finance in FNRs, as a dependence on budgetary appropriations alone renders the network vulnerable to fiscal shocks. There is untapped potential to develop a nature based tourism industry in the FNRs—and generate income from gate fees and concessions. The development of community-based tourism ventures would have the dual benefit of contributing to local livelihoods and providing a utilitarian incentive for conservation within forest-edge communities. Tourist revenues comprise the second largest earner of foreign exchange for the country⁶. In addition to foreign tourists, there is a substantial expatriate community living in the country. Moreover, the Tanzanian middle class is increasingly seeking tourism opportunities within the national borders, and schools are also seeking places to take their children for ‘adventure breaks’. Currently, only around 1,300 visitors are recorded as visiting the network of Forest Nature Reserves. However, it is clear that this is an underestimate and that there is a pool of visitors that are willing to visit the nature reserves, for example the Uluguru FNR, without obtaining permission or making payments. To move the FNR network towards sustainability, and in line with the new TFS strategic decision to expand revenue options, there is a need to develop more business orientated thinking at the FNR site level and tap the latent tourism potential. Benefit sharing agreements and local level investments into tourism based livelihood development within local communities can ensure that there are social benefits flowing to the surrounding people as well as to TFS, as is already the case in Amani FNR. However, this will require an investment in tourism infrastructure within PA sites where there is tourism potential (trails, signage, camp sites and waste receptacles), marketing and the development of public private community partnerships to develop lodges and home stays and mobilise tour operators to add FNRs to tour offerings. The large baseline investment in tourism needs to be mobilised for this.</p>

B.2.Incremental/Additional cost reasoning: DESCRIBE THE INCREMENTAL (GEF TRUST FUND) AND THE ASSOCIATED Global environmental benefits TO BE DELIVERED BY THE PROJECT:

The **objective** of the proposed project is to *expand, financially secure and strengthen the effectiveness of Tanzania’s forest nature reserves network in response to existing threats to biodiversity*. The GEF increment will assist the Tanzania Forest Service to put in place a functioning network of nature reserves across the most biodiversity rich forests of the country. By implementing this alternative strategy, over and beyond business as usual, critically important forest and montane grasslands habitats will be safeguarded, supporting at least 200 species of plants and vertebrate animals that are uniquely confined to those forests. So will a significant carbon stock and a critical water regulation function for millions of Tanzanians. This project forms part of a suite of GEF initiatives that have the aim of strengthening Tanzania’s complex PA system (across different PA categories) and builds programmatically on previous and existing GEF projects designed to support forest conservation. The project is the first initiative in Tanzania designed to systematically strengthen the network of Forest Nature Reserves. While other initiatives have strengthened individual FNR—they have not addressed the needs of the network as a whole. Moreover, the project will invest in gazetting and operationalizing new FNRs that have not been the target of other investments, thus enhancing the conservation security of these areas. This is an opportune time to advance this initiative, given that the management authority—the TFS –has just been established.

Component 1. Strategic Expansion and Consolidation of the Forest Nature Reserves network across high biodiversity forests of Tanzania. The capacity of the Tanzania Forest Services to manage the FNR network will be strengthened at both national and zonal levels. This will entail the development of the FNR unit as a management entity within TFS, and a programme of targeted training to enhance staff capacity to manage the reserves effectively. The capacity of the FNR units to plan, monitor and report on conservation activities, to manage staff and finances will be

⁶ The tourism sector currently generates 17.5% of GDP and nearly 25% of export earnings, the second largest sector after agriculture. To date, tourism has been focused around wildlife ‘safari’ tourism - comprising over 80% of tourist activities, over 700,000 visitors, of which 70% take package tours, and beach tourism in the region of 15%, or over 110,000 annual visitors. The government is keenly aware of the need to diversify its product range and strategies exist to do this in a number of ways, including through: (a) expansion of the ‘southern circuit’ - the less known PAs to the south which includes the Eastern Arc and the Southern Highlands, (b) through nature, hiking and adventure tourism and (c) through engaging the potential of its forest PA estate. Despite typical annual growth of 8-10%, Tanzania has not tapped into a latent demand for lower volume, but often higher-yield tourism that takes advantage of a market not interested in vehicle tours.

strengthened. The enforcement capabilities of the TFS to address threats within FNRs will also be strengthened at a systemic level, both at headquarters, the four zonal offices countrywide and at an individual FNR operational level in six FNR. In doing so, the project will assist the TFS to put in place and implement protocols for intelligence gathering, patrolling, booking offences, prosecuting offences and reporting them—covering all elements of the enforcement chain. This will seek to maximise deterrence for the lowest patrol effort, and will necessarily rely on a solid intelligence gathering system involving local communities. Staff training will be tailored to address specific skills gaps. These will be further assessed during project preparation, but will include community engagement and conflict resolution, monitoring and enforcement. The creation of the zonal offices and cluster management approach is expected to be more cost effective than the creation of 11 stand alone site offices. Cost coefficients will be established for the delivery of different PA functions and efficiency measures employed to govern the deployment of staff and funding to address management needs.

The project will provide support to the TFS to gazette and operationalise all six outstanding FNRs as needed (Rungwe FNR will only receive support for the latter). This will require the following steps: (i) allocation of the new FNR to a specific zonal management unit according to its geographical location⁷, (ii) public consultations with local communities on management measures, (iii) confirmation of roles and responsibilities of different actors for management, (iv) demarcating boundaries, and (v) legal notification of the sites. Management planning will be supported at the four sites that now lack such Plans, defining the management goals, strategy, action and monitoring and evaluation system. Equipment for management and patrols will be provided, based on assessed needs. Management infrastructure (administrative office, entrance gates, signage, patrol camps, etc.) will also be developed in the sites as required. The exact investments to be undertaken each site will be confirmed during further project preparation. A preliminary assessment indicates that the following support is needed in each of the six sites that will be targeted for intervention.

	Mapped	Gazetted	Management Plan	Boundaries marked	Staff and equipment	Office	Ranger Posts
Forest Nature Reserve							
Amani							
Uluguru							
Kilombero							
Nilo							
Rondo Plateau—In progress							
Rungwe				√		√	√
Chome	√	√					√
Magamba		√				√	√
Mkingu		√		√		√	√
Uzungwa Scarp		√	√	√		√	√
Minziro	√	√	√	√	√	√	√

Component 2. Financial Sustainability of the Tanzanian Nature Reserves PA system. The second component of the project will increase financing to support the long-term management of the network of Forest Nature Reserves. The government budget allocation to FNR site management will be increased by at least⁸ 200% from the current operational budget of USD \$470,000 per year. The strategy for achieving this is to: (i) provide quantitative evidence on the economic value of Tanzania’s forest nature reserves; (ii) assess the financial needs for effective management of the FNR system; (iii) put in place measures to assure the cost effectiveness of management; and (iv) assist the TFS and MNRT to make a business case to the Treasury for increasing budgetary appropriations. The project will also support the TFS to diversify financing sources for PA management, primarily through nature tourism. Business Plans will be developed for all 11 FNR sites, identifying non-state appropriated revenue options and market opportunities⁹. The project will focus on tourism as

⁷ The four zonal offices are scattered across the country. For example, Uzungwa Scarp FNR would be part of the Southern Zone, based in Mbeya, south-west Tanzania

⁸ to be confirmed following further preparation and completion of the PA finance scorecard;

⁹ Business planning has become standard practice for Tanzania’s wildlife protected areas estate, especially for Tanzania National Parks (TANAPA), and a similar approach would now function for FNR within the wider forest PA system. This is a process that has been systemised into the corporate planning of TANAPA and therefore is regularly reviewed under the planning department and a sustainable process. It is also a contributing factor to

the most likely potential revenue source, but will also assess the potential¹⁰ for climate change related financing through REDD+ and the voluntary carbon market (particularly for enforcement costs), utilising the structure of a likely national credit scheme and taking advantage within that of the provision afforded by the Cancun rules to factor conservation into CCM efforts. Regarding the development of tourism, the project will fund the development of revenue collection mechanisms (gate fees and concessions), and develop a concessions framework for the TFS. The project will work with the Government to market FNRs as a tourism destination; focusing on those sites that have high potential for significant revenue generation based on current visitor trends, market potential for forms of alternative tourism – community, adventure and nature tourism - and proximity to other tourist destinations, to be determined during project preparation¹¹. Destinations are likely to include Chome and Magamba FNR in the north—to complement Amani—for their proximity to the Northern Circuit and Uzungwa Scarp and Kilombero in the Udzungwa Mountains range – to add to the portfolio of the emerging Southern Circuit. Marketing will be done nationally with tour operators and internationally at tourism exhibitions and a dedicated website will be developed, and other advertising supported (based on a needs assessment). Commercial investment in tourism will be engineered through private sector and community partnerships, concessioning of services and development of specialised tour operations—i.e. bird walking and hiking; transport, accommodation and catering. Community Based Tourism (CBT) activities will be supported through engagement with local enterprises whose selection will be based on business planning. Best practices for CBT will be gathered from success stories which include the Chumbe Island Coral Park on Zanzibar and the Kahawa Shamba initiative, which links coffee growers to tourism income.

The global benefits deriving from the project include an improvement in the conservation security of forest nature reserves across four major high forest types, from the reduction of threats, covering an additional 118,369 hectares of forest. The target areas are amongst most important repositories of forest biodiversity. It will serve to protect the core areas – with the highest levels of endemic biodiversity within the largest high forest blocks in Tanzania. All 11 FNR sites are identified as Key Biodiversity Areas, and 4 are also Alliance for Zero Extinction sites while several also form a part of a proposed serial site for the World Heritage Convention, namely the Eastern Arc Mountains forests. The conservation status of at 15 strict endemic and a further 63 restricted range species will be enhanced. These include species such as Sanje Mangabey and Abbott’s duiker. Although not designed as a climate change emissions reduction initiative, the project will secure a carbon reservoir of an estimated 300 tons of carbon/ha; the new sites to be gazetted together have an estimated total carbon store of 35 million tons.

This project strategy was selected following a review of alternative investments that could have generated equivalent global environmental benefits. One option was to develop a larger sustainable forest management project, looking at forest conservation across larger forest landscapes and geared additionally towards land use, land use change and forestry. This was discarded—first, because there is an urgent unmet need to strengthen the FNR network for biodiversity conservation—bringing new sites into the system and strengthening the institutional capacities of the management authority. The Government determined that at this point, a more focused approach would best address these immediate needs. Moreover, there is a large baseline investment already supporting LULUCF in Tanzania—financed by NORAD, UN-REDD, the WB FCPF, DFID and other actors. This work is already well advanced. Rather than invest further in LULUCF, the Government has decided to overlay BD management onto it. Once a crediting scheme is in place, opportunities exist to catalyse funding for carbon stock conservation and sequestration within the FNR network.

TANAPA’s ongoing profitability. Thus, a similar process would support a similar combination of strategic planning and tactical operations based on a sound business planning process that would allow for FNR to be managed to their best advantage, with some FNR that will attract high numbers set up to manage a high turnover, whilst others set up to cater for specific specialists interests, whether from tourism, scientific research or other sources. Business planning will allow for a full understanding of both the costs and benefits sides of the ledger for each FNR as well as linkages with the wider FNR and to TFS headquarters. The process will, like TANAPA, become sustainable, as the project will focus on systematizing its business planning inside TFS, thereby becoming a routine exercise. In addition to the direct benefits of increased revenue, business plans frequently result in important indirect benefits, including improvements in the effectiveness of management practices, improved protected area policies, and improved governance and accountability, all of which typically result in reduced overall management costs (Thomas. L., and A. Burmester. 2007. Business Planning for Protected Areas in Central, Southern and Eastern Europe and the Commonwealth of Independent States. German Federal Agency for Nature Conservation. Vilm, Germany.; and Flores, M., Rivero, G., Leon, F. Chang, G. et al. 2008. Financial Planning for National Systems of Protected Areas: Guidelines and Early Lessons. The Nature Conservancy, Arlington, VA).

¹⁰ To be further clarified at PPG, based on better understanding of the likely REDD framework in Tanzania – still in development

¹¹ . ‘Alternative’ tourism has come about in resistance to the negative effects, both ecologically and in terms of equitable distribution of power and wealth, particularly for people of developing countries of ‘mass’ tourism. The focus of different approaches to alternative tourism vary, some more focused on ecological sustainability, others on social development, or both. In Tanzania, alternative tourism is a latent market, ripe for opportunity, able to build on the increasing reputation Tanzania has as one of the last countries to be able to offer a wilderness / nature based experience.

B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT: Strengthening the FNR network will generate significant socioeconomic benefits at both national and local levels. The FNRs sit in important water catchment areas (the Uluguru Mountains FNR form the principal catchment for the city of Dar es Salaam). The project will secure streamflow, and in particular base flow during the dry season which would be impaired if the forests were lost or degraded. This will be particularly important under conditions of climate change, where the resilience of these watersheds will be critically important. Tanzania's attraction as a nature tourism destination will be fortified, with real new opportunities tapped for tourism revenue and employment creation. The project will provide additional tourism attractions for Tanzania – opening up forest areas as a new tourism product, based on best practices from community based tourism elsewhere, such as Kahawa Shamba¹², amongst others. Locally, communities will be able to and benefit from new tourism development opportunities, and for those with community forest areas bordering FNR, sustainable use of NTFP. Safeguards will be put in place to ensure the continued regulated access of communities to designated forest areas to collect medicinal plants and other non timber forest products under agreed sustainable use regimes and monitoring mechanisms. In order to ensure socioeconomic benefits and their sustainability, local level activities will be carried out with the participation of local stakeholders, with full consideration given to gender dimensions. In line with UNDP policies, attention will be placed on gender equity, and in particular to ensure full participation of women in consultations on natural resource management and land-use planning processes that affect their livelihoods and welfare.

The project has been designed to be ecologically, financially and institutionally sustainable; ecologically, strengthening of the FNR network is critical to secure biodiversity, and increase the resilience of the forest ecosystem under conditions of climate change. Institutionally, sustainability is addressed by strengthening the capacity of TFS to effectively deliver on its mandate for FNR management—and to put in place necessary skills at the individual level within the staff cadre. Financially, the project seeks to put the financing base for FNRs on a more secure footing, looking at a mix of public finance and tourism finance as a move towards diversifying sources of funds, while ensuring operations are cost effective.

B.4. INDICATE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED

Risk	Level	Mitigation Measures
Significant increase in pressure on the nature reserves from surrounding populations so a level that cannot be controlled by FNR staff. In particular, Logging and bush meat hunting increase dramatically compromising the integrity of Forest Nature Reserves, especially as sites for the conservation of large and medium sized mammals (including endemic species of primates and duikers)	High	The current FNR are largely well accepted by the surrounding communities as there has already been a process led by district level and supported in some FNR by NGOs, to raise awareness of the importance of conserving forest areas for local, national and global benefit. The fact that the forests remain is tantamount to the support of communities. However, with increasing pressures from population and modernity this risk will need to be mitigated against by ensuring the FNR are fully gazetted and operationalized. Further, this broad community acceptance needs to be translated into signed agreements with surrounding villages in the form of benefit sharing arrangements for those FNR that are not isolated forests. Draft PFM agreements exist for all villages around Amani FNR, but agreements need to be re-visited, scaled up to other FNR, updated according to the agreed TFS benefit sharing regulations for management in forest areas surrounding FNR, signed, and implemented. Effective deployment of staff across new and existing FNR is required, based on financial plans. In terms of the specific threat from logging and for bush meat, the project will improve the capacity of the TFS and FNR rangers to prevent illegal harvesting of timber and bush-meat, especially for commercial purposes. The work with surrounding communities on benefit sharing agreements will seek to clarify those resources that can be accessed by local communities, and those that cannot. These agreements will form the basis of the benefit sharing arrangements that will be added to the existing draft PFM agreements. Now that TFS is self accounting, it is in the process of developing its own benefit sharing guidelines and the project will use these for the work in and around Forest Nature Reserves. At the systems level, the project will improve capacities for enforcement, ranging from surveillance and intelligence gathering to prosecution to anticipate threats and deploy resources to deter malfeasance.
Climate change models suggest changes in the distributions of biodiversity components, with some species being	Low	The maintenance of forest cover and connectivity up and down slope, and sideways across the slope, wherever possible, is a sensible adaptation strategy in this area of East Africa. As precise impacts are almost impossible to determine a sensible precautionary

¹² The Kahawa Shamba initiative, based in Moshi, northern Tanzania is fully community owned and has taken advantage of the market for small scale, community based tourism with a natural element. Homestays and walks form the basis of the initiative, which provides diversification to coffee farmers. Tanzania is a leader in the development of Community Based Tourism (CBT) and there are already successful examples of its existence in country, which shall be more effectively explored during the PPG process. To date, the Kahawa Shamba project, for example, has had proven success as a template for functioning CBT, and as well as securing revenue from homestays has had a number of other spin-off benefits, for example: Women's groups have started their own piggery unit and a shop in their village, youths have purchased mountain bikes for renting to tourists to increase their income, local food produce and clay pots are sold to tourists, there is use of local building materials and local transport also used.

Risk	Level	Mitigation Measures
forced up the slope in mountain areas while others will try and move down, depending on the location of the Forest Nature Reserve and the climatic changes it may experience.		approach is required. There are potential risks from climate change in these FNR as the climate is predicted to become somewhat drier and hotter, which might impact on the forests and their ability to support species of plants and animals that are endemic to these sites. However, the climate change models for this region are still crude, and are only now in the process of being downscaled to the sub national level. There is considerable uncertainty in what will actually happen in Tanzania. For the montane areas some of the species present are millions of years old, and have survived past climatic shocks. There may be features of the species, the forests, or the topography of the mountains that makes it more likely for species to survive in the long term. The project will link to academic institutions studying climate changes and their impacts on biodiversity and will therefore integrate the best available climate science into this element of the projects work. The specifics of which FNR will be adversely affected is as yet difficult to predict. However, the 11 FNR are all in some way connected to wider ecological habitats; those in the Pare and Usambara blocks to the north and well integrated with other montane forest areas, in the Uluguru and Udzungwa mountain blocks, where montane forests ends, the ranges are surrounded by miombo, Rondo and Mount Rungwe are also surrounded by miombo, limiting their vulnerability
FNR financial sustainability is heavily reliant in tourism in some FNR. The tourism sector may be hindered by the global financial downtown, exposed to future shocks such as Eurozone or Dollar fluctuations due to the reliance on tourism from North America and Europe, or from global security issues.	Low	The tourism sector in Tanzania is still working under par. There is a latent demand for alternatives to the mass tourism on offer – for adventure and nature-based tourism that has as yet been untapped due to Tanzania’s lack of investment to date in niche markets away from the packaged, mass market focus on safari and beach tourism ¹³ . Tanzania now recognises that new alternative tourism market and is turning attention to it at a national level. Further, Tanzania has recovered from shocks before. With the exception of a dip in numbers in 2008 due to the Kenya elections crisis and the global credit crunch, Tanzania has been seeing visitor numbers rising in the region of 8% a year. The increase in flights directly to Tanzania and increase of carriers using Kilimanjaro airport will also see greater numbers flying direct to Tanzania instead of via Kenya. Despite the global financial downturn, the on-going rise in tourism illustrates the latent demand for Tanzania as a global destination. Adding an additional set of tourism products can only widen the supply to address latent demand. Further, FNR are not solely dependent on tourism for their long-term survival: utilising the Cancun principles of support to conservation areas, REDD financing is an opportunity ahead... Government - through MNRT – are also committed to increasing public appropriations to cover the costs of managing the FNR network.

B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT:

STAKEHOLDER	RELEVANT ROLES IN THE PROJECT
Tanzania Forest Services	The main stakeholder is the Tanzania Forest Services of the Ministry of Natural Resources and Tourism. They have the mandate to control, monitor and manage these reserves. They are the primary beneficiaries of this GEF investment. Their role will be project coordination and the National Implementing Partner. Management of the Forest Nature Reserves is carried out through the Zonal Management Units around the country – four in total, being Northern, Southern, Western and Eastern.
Local people living around the nature reserves	The other principal stakeholders are the people living around the Forest Nature Reserves who cannot use that land for other purposes and sometimes suffer from animals coming from the reserve and destroying their crops. These are mainly baboons and monkeys - most Forest Nature Reserves have no large mammals. The local people will directly benefit from the development of community based tourism schemes, as they do from livelihood schemes around the Amani FNR (and which have been piloted in the ‘Kahawa Shamba’ and ‘Chumbe Island’ community projects) and indirectly from the increased support to the FNR operational functions, which is expected to bring greater visitor numbers. They will also be involved in work such as boundary clearing, as paid casual workers.
Private sector	The private sector is an important, but generally overlooked player in the management of FNR in Tanzania. Many of the visitors to these reserves come through specialist tour operators who focus on mountains and wildlife experiences. The private sector also runs a number of the places where people stay in the vicinity of the reserves. Hence private business will be an important partner for Forest Nature Reserves in terms of developing viable tourism revenues. In addition, the private sector is perhaps the best hope for providing long-term carbon credits to enhance the management of FNR through the voluntary carbon markets. The existence of endemic species and water services would potentially enhance the attractiveness of Forest Nature Reserve carbon on the open markets.
NGOs (EAMCEF, WWF, TFCG, CARE, WCS, WCST)	Various NGOs have been assisting the TFS in the initial establishment and management of the current network of FNR, including WWF, WCS, CARE, Tanzania Forest Conservation Group, and the Wildlife Conservation Society of Tanzania. All of these international and national NGOs have a role to play in the project; indeed some are co-financiers, not least in assisting with the aspects relating to ensuring the livelihoods of surrounding local people. These NGOs are also hoped to continue the work that they have been doing on assisting communities to develop co-management arrangements around the forests of Tanzania, to put in place improved technologies for farming, fuel consumption, etc., and to seek ways to improve

¹³ Tourism in Tanzania is growing year on year at typically around 8%, bucking a trend of global slowdown in other countries largely because there is as yet a limited portfolio in Tanzania to build upon and Tanzania is expanding an increasingly diversified product. In general, the revenue from tourism across southern Africa is equal to the revenue from farming, forestry and fisheries combined (Balmford A, Beresford J, Green J, Naidoo R, Walpole M, et al. (2009) A Global Perspective on Trends in Nature-Based Tourism. PLoS Biol 7(6): e1000144. doi:10.1371/journal.pbio.1000144)

	their livelihoods.
Local Government	The local government is responsible for the people living around the reserves and is an important partner in any attempts to improve the livelihoods of the local population. District Development Plans coordinate the roles and responsibilities of district interventions in which the District Natural Resources Officer, and his/her subordinate, the District Forest Officer play a role in ensuring forest management of both communal and government lands is linked in with district , ward and village level development initiatives and land use planning.

B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

Previous and ongoing GEF investments in forest conservation link to, inform and in some cases act as a foundation to support this initiative to strengthen the FNR network. In particular, a past UNDP/WB-GEF Project (Conservation and Management of the Eastern Arc Mountains Forests, concluded 2010) has strengthened management of PAs in the Eastern Arc Mountains. This project developed a Conservation Strategy for the Eastern Arc mountains—identifying the most important sites for conservation action (8/11 FNRs). GEF funds were subsequently deployed to strengthen management of the Uluguru Mountain FNR, while ICI funds were secured to develop additional infrastructure and capacities at that site as well as three others (Amani, Kilombero and Udzungwa FNRs). These sites will not be the target of site action under this project. In addition, a UNDP-GEF project ‘Enhancing the Protected Area Sub-System in the Coastal Forests of Tanzania’ is working with the Tanzania Forest Services to enhance the capacity to manage the Coastal Forests sub system, a part of the PA network that has been previously underfunded. This project started in 2009 and will run until 2014 and its focus is primarily operating in a different geographical area than the proposed intervention. The project is investing in the establishment of Rondo Plateau FNR—accordingly, that site is specifically excluded from the scope of this project.

A third UNDP-GEF project ‘Strengthening the Protected Area Network in Southern Tanzania: Improving the Effectiveness of National Parks in Addressing Threats to Biodiversity’ that started in 2012 and will run until 2016 is focused on wildlife-based PA (National Parks) management in the south of the country - the southern circuit - and is expected to provide lessons such as on co-management strategies and financial sustainability to this forest PA-based project. The southern circuit project is addressing the conservation needs of different ecosystems than in this case (namely montane grasslands and savanna/ miombo ecosystems). However, there is a clear point of synergy with the aforesaid project, namely in tourism promotion. The southern circuit project is undertaking interventions to grow nature tourism in Southern Parks managed by TANAPA; whereas this project will promote sustainable nature tourism in FNRs—necessary to generate PA finance and conservation compatible livelihoods for local communities (from community based tourism and guiding). Coordination between these two projects will be assured by UNDP, working together with TANAPA and TFS, and through joint work planning. This project will be also linked into a community of practice between UNDP-GEF supported PA initiatives in Kenya, Eritrea, Namibia and elsewhere, allowing for the cross fertilization of lessons.

Past World Bank and UNDP GEF linked initiatives (the Eastern Arc project) assisted Tanzania to establish an Eastern Arc Mountains Conservation Endowment Fund (EAMCEF), which was aimed to provide sustainable financing to the conservation of the Eastern Arc Mountains and to help the country move away from donor funded projects. This fund has around \$8 million in capitalisation, which is generating around \$200,000 per annum in project funds that are being used to provide relatively small grants to support conservation and development work in the Eastern Arc Mountains. Although this support will be able to continue into the medium term, especially as they have recently been awarded a five year grant of \$5.9 million by the Norwegian Government, the EAMCEF does not have the capacity to provide some of the investments that FNR require, and moreover, the EAMCEF by its mandate can only work in the Eastern Arc Mountains.

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

C.1. INDICATE THE CO-FINANCING AMOUNT THE GEF AGENCY IS BRINGING TO THE PROJECT: UNDP will invest US\$ 1,000,000 in this project, and leverage USD \$17.5 million in co-finance from Government, bilateral and NGO partners.

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: UNDP has a major biodiversity and ecosystem programme, and protected areas are one of UNDP’s signature programmes. The agency manages a large portfolio of PA projects globally and across Africa – designed to strengthen the management effectiveness and financial sustainability of protected area systems. UNDP has been active in the field of biodiversity conservation in Tanzania for over 40 years, collaborating for instance with FAO in 1965 to establish the Mweka Wildlife College. UNDP has supported efforts to strengthen forest management in the country for over 20 years, and amongst other things presently serves as the in country coordinator for UN REDD initiatives. Strategically, in terms of the UNDP Tanzania country programme, the project fits within the UNDAF *Outcome 8: Relevant MDAs, LGAs and Non-State Actors improve enforcement of environment laws and regulations for the protection of ecosystems, biodiversity and the*

sustainable management of natural resources and all three outputs therein. The Country Office maintains an environment unit, staffed by a core team of three professional plus supportive operations staff—well equipped to manage this initiative. The Regional Technical Advisor for Biodiversity based in Pretoria will supply specialised technical support as needed.


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):

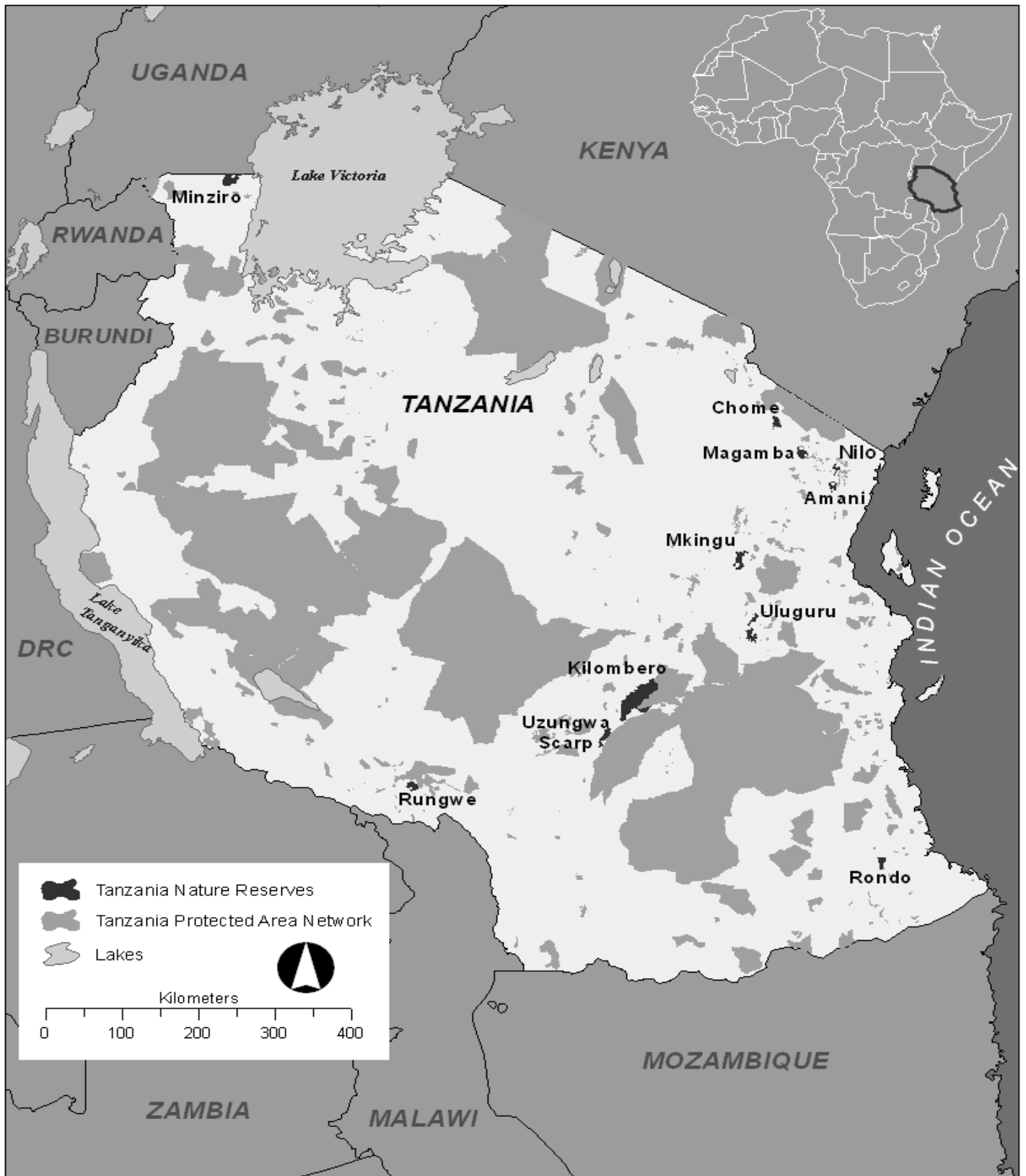
NAME	POSITION	MINISTRY	DATE (MM/DD/YYYY)
Dr. Julius Ningu GEF Operational Focal Point	Director of Environment	The Vice President's Office (VPO)	06/27/2012

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.

Agency Coordinator, Agency name	Signature	Date	Project Contact Person	Telephone	Email Address
Yannick Glemarec, UNDP/GEF Executive Coordinator		August 7, 2012	Nik Sekhran , PTA EBD	Tel: +27 12 3548131	nik.sekhran@und p.org

Annex 1: Map of Nature Reserves in Tanzania amid Protected Area Estate



Annex 2: Endemic and Threatened Species in Tanzania's Forest Nature Reserves Network

FNR Name	Site level endemic species	No of threatened animals at site level
Amani	19 Site Level Endemic Species (AZE site), including plants <i>Ancistrohynchus parviflorus</i> , <i>Begonia zimmermannii</i> , <i>Cola usambarensis</i> , <i>Cynometra longipedicellata</i> , <i>Cyphostemma njegerre</i> , <i>Disperis egregia</i> , <i>Dorstenia bicaudata</i> , <i>Englerodendron usambarensis</i> , <i>Justicia oblongifolia</i> , <i>Psychotria pocsii ssp. Pocsii</i> , <i>Psychotria scheffleri</i> , <i>Rytigynia dichasialis</i> , <i>Rytigynia xanthotricha</i> , <i>Vepris ngamensis</i> , <i>Warneckea erubescens</i> , <i>Warneckea microphylla</i> and vertebrates <i>Nectophrynoides frontierei</i> , <i>Parhoplophryne usambarica</i> and <i>Typhlops usambaricus</i> .	1
Uluguru	76 Site Level Endemic Species (AZE site), including plants <i>Acridocarpus congestus</i> , <i>Balthasaria schliebenii var. schliebenii</i> , <i>Begonia schliebenii</i> , <i>Blotiella coriacea</i> , <i>ulbophyllum gilgianum</i> , <i>Chassalia</i> spp., <i>Dicliptera grandiflora</i> , <i>Dionychastrum schliebenii</i> , <i>Diplazium ulugurense</i> , <i>Dorstenia ulugurensis</i> , <i>Gravesia hylophila</i> , <i>Ilex mitis var. schliebenii</i> , <i>Impatiens</i> spp., <i>Jasminum rotundatum</i> , <i>Lasianthus macrocalyx</i> , <i>Lasianthus wallacei</i> , <i>Lobelia graniticola</i> , <i>Lobelia lukwangulensis</i> , <i>Pavetta</i> spp., <i>Phyllanthus thulinii</i> , <i>Pittosporum goetzei</i> , <i>Plectranthus strangulatus</i> , <i>Polystachya</i> spp., <i>Rhipidantha chlorantha</i> , <i>Rytigynia</i> spp., <i>Saintpaulia</i> spp., <i>Senecio</i> spp., <i>Stapfiella ulugurica</i> , <i>Stolzia</i> spp., <i>Streptocarpus</i> spp., <i>Tarenna quadrangularis</i> , <i>Tridactyle</i> spp., <i>Turraea mombassana ssp. schliebenii</i> , <i>Vernonia tricholoba</i> , <i>Zenkerella perplexa</i> , as well as birds <i>Andropadus neumanii</i> , <i>Malaconotus alius</i> , <i>Nectarinia loveridgei</i> , amphibians <i>Nectophrynoides cryptus</i> , <i>Nectophrynoides laevis</i> , <i>Probreviceps uluguruensis</i> and reptiles <i>Prosymna ornatissima</i> and <i>Typhlops uluguruensis</i> .	5
Kilombero	21 Site Level Endemic Species (AZE site), including the plant <i>Pavetta roseostellata</i> and the mammal <i>Congosorex phillipsorum</i> .	2
Nilo	2 Site Level Endemic Species: the plant <i>Justicia palustris</i> and the endangered bird <i>Hyliota usambarae</i> .	1
Chome	2 known Site Level Endemic Species: the plants <i>Pentas hindsioides var. parensis</i> and <i>Streptocarpus parensis</i> .	1
Magamba	2 known Site Level Endemic Species: the plant <i>Encephalartos sclavoi</i> and the bird species <i>Sheppardia montana</i> .	1
Mkingu	30 Site Level Endemic Species, likely amongst the following Nguru Mountains endemic plants: <i>Impatiens messumbaensis</i> , <i>Impatiens messumbaensis ssp. fimbrisepala</i> , <i>Impatiens messumbaensis ssp. messumbaensis</i> , <i>Lobelia ritabeaniana</i> , <i>Maytenus nguruensis</i> , <i>Meineckia nguruensis</i> , <i>Phyllanthus rhizomatosus</i> , <i>Diaphanthe orientalis</i> , <i>Mystacidium nguruense</i> , <i>Polystachya canaliculata</i> , <i>Polystachya rugosilabia</i> , <i>Lellingeria rupestris</i> , <i>Chassalia bonifacei</i> , <i>Chassalia christineae</i> , <i>Pavetta abyssinica ssp. viridiflora</i> , <i>Psychotria pocsii ssp. ferruginea</i> , <i>Rytigynia longituba</i> , <i>Chytranthus longibracteatus</i> , <i>Cyphostemma masukuense ssp. nguruense</i> .	13
Uzungwa Scarp	11 Site Level Endemic Species likely including plants <i>Ancistrocladus tanzaniensis</i> , <i>Coffea kihansiensis</i> , <i>Diospyros uzungwaensis</i> , <i>Impatiens uzungwaensis</i> , <i>Kihansia lovetii</i> , <i>Kupea jonii</i> and amphibians <i>Hyperolius kihangensis</i> , <i>Hyperolius kihangensis</i> , <i>Nectophrynoides asperginis</i> , <i>Nectophrynoides poyntoni</i> and <i>Nectophrynoides wendyae</i> .	5
Rungwe	11 Site Level Endemic Species, including Africa's rarest monkey the kipunji (<i>Rungwecebus kipunji</i>), Africa's rarest forest antelope Abbott's duiker (<i>Cephalophus spadix</i>), the Rungwe Galago (<i>Galagoides</i> spp.) a bush baby listed as one of the world's 25 rarest primates.	3
Rondo Plateau	There are 32 Site Level Endemic Species, including the mammal, Rondo Galago (<i>Galagoides rondoensis</i>), endemic or near endemic reptiles (<i>melanoseps rondoensis</i> , <i>Scolecoseps litipoensis</i> , <i>Typhlops rondoensis</i> , <i>Chirindia rondoensis</i> and <i>Chirindia ewerbecki</i>) and endemic birds such as rondo green barbet (<i>Stractolaema olivacea ssp. hylophona</i>) and Reichenow's Batis (<i>Batis reichenowi</i>).	5
Minziro	1 Site Level Endemic known. However the papyrus Gonolek <i>L. mufumbiri</i> and a species of the Genus <i>Turraea</i> has also been collected in the western part of Minziro, these may also be endemic.	TBD
	>195 Site Level Endemic Species	34