

NAMIBIA
Integrated Community-Based Ecosystem Management (ICEMA)

GEF Project Document

Africa Regional Office
AFTS4

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| Date: March 12, 2004 Sector Manager/Director: Richard G. Scobey Country Manager/Director: Fayez S. Omar Project ID: P073135 Focal Area: M - Multi-focal area | Team Leader: Christophe Crepin Sector(s): General agriculture, fishing and forestry sector (100%) Theme(s): Biodiversity (P), Environmental policies and institutions (P), Land management (S) |
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Project Financing Data

☐ Loan
 ☐ Credit
 ☒ Grant
 ☐ Guarantee
 ☐ Other:

For Loans/Credits/Others:

Amount (US\$m): \$0.00

| Financing Plan (US\$m): | Source | Local | Foreign | Total |
|--|--------|-------|---------|-------|
| BORROWER/RECIPIENT | | 6.11 | 0.00 | 6.11 |
| US: AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) | | 7.20 | 3.09 | 10.29 |
| LOCAL COMMUNITIES | | 0.18 | 0.00 | 0.18 |
| EC: EUROPEAN COMMISSION | | 2.10 | 0.90 | 3.00 |
| FINLAND: MINISTRY FOR FOREIGN AFFAIRS | | 0.70 | 0.30 | 1.00 |
| FRANCE: FRENCH AGENCY FOR DEVELOPMENT | | 1.23 | 0.52 | 1.75 |
| GLOBAL ENVIRONMENT FACILITY | | 2.27 | 4.83 | 7.10 |
| GERMANY: KREDITANSTALT FUR WIEDERAUFBAU (KFW) | | 2.10 | 0.90 | 3.00 |
| Total: | | 21.89 | 10.54 | 32.43 |

Borrower/Recipient: REPUBLIC OF NAMIBIA

National Planning Commission (NPC)

Responsible agency: MINISTRY OF ENVIRONMENT AND TOURISM (MET)

Ministry of Environment and Tourism (MET)

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Estimated Disbursements (Bank FY/US\$m):

| FY | 2005 | 2006 | 2007 | 2008 | 2009 | | | | |
|-------------------|------|------|------|------|------|--|--|--|--|
| Annual | 1.38 | 1.33 | 1.51 | 1.49 | 1.39 | | | | |
| Cumulative | 1.38 | 2.71 | 4.22 | 5.71 | 7.10 | | | | |

Project implementation period: 5 years

Expected effectiveness date: 07/31/2004 **Expected closing date:** 01/31/2010

A. Project Development Objective

1. Project development objective: (see Annex 1)

The **project development objective** is "Community-based integrated ecosystem management practices are supported by the National CBNRM framework and used by targeted conservancies".

The **project global objective** is "to restore, secure and enhance key ecosystem processes in targeted conservancies with biodiversity and land conservation and sustainable use as a goal."

Background to the project

The project's on-the-ground activities will be targeted to communally managed lands represented through Namibia's "*communal conservancy network*". Therefore, the project also provides direct institutional support to the Ministry of Environment and Tourism (MET), which is the country's lead governmental agency responsible for guiding and overseeing the communal conservancy network under its "National Community-Based Natural Resource Management (CBNRM) Program" (see annex 2 for more details on CBNRM Program and communal conservancies). The CBNRM Program in Namibia is based on an initial policy and legal framework which grants rights over wildlife and tourism management and uses to communities on their lands once they are organized as "conservancies". Conservancies are multiple-use zones with legal status, registered with the authorities (Ministry of Environment and Tourism), where residents currently continue farming but collectively manage wildlife in order to benefit both from better natural resource management practice, and from capturing tourism revenues. A *communal conservancy* consists in setting aside part or all of the land of a given community with the intention to conserve and valorise wildlife through its sustainable consumptive and non-consumptive uses within ecosystem-related activities. The committees that run conservancies aim to be multifunctional, serving as management structures for natural resources utilization and benefit distribution (see annex 20 for local governance and participation). The establishment of communal conservancies is seen as a fundamental step in improving local management capacity and linking it to benefits for communities in communal areas, promoting sustainable environmental management and rural development. The changes associated with the National CBNRM Program are expected to impact differently on rural households depending on individual and communal factors like income levels, livestock wealth, tourism income, wild resource income, cash income, conservancy involvement, degree of common property management, employment and education as well as resource based factors.

The project targets registered communal conservancies (see criteria for project intervention sites and conservancy profiles in annex 16).

2. Key performance indicators: (see Annex 1)

Performance indicators are meant to judge the overall performance and impact of the project (in terms of outcomes and outputs). They are used as a guide for overall project monitoring and inform supervision and evaluation of the project as a whole. Indicators require a measurable starting baseline against which to judge progress; they also are measured against a target, including, as possible mid-term targets. Therefore, all ICEMA key performance indicators will be measured against a baseline assessment using existing information including spatial comparison

outside targeted sites. The key performance indicators measuring progress towards achieving the project development and global environmental objectives by the end of the project are:

For the project development objective:

1. Around 25,000 km² of communal land under integrated sustainable ecosystem management as defined by the National CBNRM Program (baseline at present = 0 km).
2. 80 % of targeted conservancies committees are effectively managing and deploying efficiently and sustainably their natural, human, financial and other resources according to the objectives of their conservancy plans (baseline at present = 10 %).
3. MET as CBNRM lead agency established effective partnerships with other agencies and institutions, including local governments, NGOs and private sector to enable achievements of project objective in an efficient and effective manner (baseline at present = 0 formalized partnerships)

For the project global objective:

1. % of change of status of threatened species in targeted conservancies.
2. % of change of habitat cover in key sites of targeted conservancies.
3. % of change in land degradation intensity in targeted conservancies.

Baseline assessments for these PGO key performance indicators will be undertaken in project sites prior project interventions.

B. Strategic Context

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

Document number: **Date of latest CAS discussion:**

There is no CAS available for Namibia. The current Bank involvement in Namibia focuses on providing technical assistance to support the government's efforts to reduce poverty, to support decentralization and urban development, to analyze various sources of growth and to identify suitable options to strengthen the human capital development including knowledge management. The Project will build on and make further contributions to these forementioned activities as it aims to strengthen sustainable conservation and integrated ecosystem management through investments in human and natural capital, institutional strengthening and increased ecosystem and community-based small-scale enterprise development. Furthermore, the continuous dialogue between the Bank and the Government of the Republic of Namibia on the management of its highly valuable natural resources and in particular their environmental assets has led to the preparation of two additional WB/GEF supported operations.

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

Namibia has ratified the Biodiversity Convention (1995), the Climate Change Convention (1995) and the Desertification Convention (1997). A National Biodiversity Strategy and Action Plan was validated in (2002). The proposed project is part of the Government of Namibia's efforts to implement this strategy and action plan and to address national and global environmental priorities.

The activities proposed under this project are fully consistent with the priorities of the GEF

operational programs for integrated ecosystem management (OP 12) as well as for arid and semi-arid ecosystems (OP 1). The recognition and conservation of ecosystem structures and functioning to maintain, increase and diversify ecological services in communal conservancies, are priority long-term targets of the integrated management approach at appropriate spatial and temporal scales promoted by MET as well as other stakeholders. The integrated ecosystem management approach represents a strategy that promotes conservation and sustainable use of natural resources in an equitable way and aims to reach a balance of the Convention on Biodiversity interlinked objectives: conservation; sustainable use; and the fair and equitable sharing of the benefits arising out of the utilization of natural resources.

Specifically, the project is compatible with OP 12 opportunities to achieve multiple focal area benefits because it would focus on:

- (i) Attack root causes of interlinked threats to biodiversity, land degradation, vulnerability and adaptation to climate change
- (ii) Integrating activities that address local level issues, alternative livelihood systems and their global benefits
- (iii) Facilitating cross-sectoral institutional strengthening and development of strategic frameworks for IEM for multiple local and global benefits
- (iv) Supporting policy and regulatory reforms of relevance for IEM
- (v) Flexible monitoring and evaluation systems to track and help understand long-term ecosystem indices and their linkages to on the ground management
- (vi) Participatory capacity building and technical assistance for targeted local communities for enhanced management of critical species, habitats, and ecosystems and service providers such as the MET and its decentralized structures and other stakeholders.
- (vii) Sharing experiences (traditional and modern knowledge) and dissemination of best practices for replication and policy recommendations
- (viii) Supporting inclusion of livestock and crop management approaches in community resource plans.

Further, the project responds to GEF's cross-cutting and biodiversity as well as capacity-building strategic priorities as outlined in its Strategic Business Plan FY04-FY06. In line with GEF biodiversity's SP2, biodiversity conservation will be enhanced and mainstreamed into the various production landscapes (mainly wildlife, forestry, tourism) which are present throughout Namibia. ICEMA's approach is based on lessons learned of the country's pilot CBNRM activities. Its additionality is based on the development and implementation of a more strategic and integrated approach to CBNRM and on the adaptive capacity development plan for its main stakeholders (in particular at governmental level and local level). Innovative elements include the setting-up of a community funding facility for ecosystem based sustainable use activities; community-government-private sector partnerships for conservation and socio-economic benefits for rural communities and integration of integrated ecosystem management into national sector policies and legislation as well as in local resource use plans. Targeted capacity-building and institutional support will be essential for sustainability and replication. A detailed monitoring and evaluation system and knowledge management plan will allow to generate and disseminate further lessons learned and good practices for integrated ecosystem management throughout the project lifetime and beyond (biodiversity's SP4). More importantly, the project aims to develop and test a

model for OP 12 monitoring and evaluation systems with selected communities and service providers.

The project follows guidance from the COP of the Convention on Biological Diversity as it addresses in situ conservation and sustainable use of biodiversity. CBNRM appears as an established concept under the CBD, and is of particular relevance to COP guidance on involvement of local people. National and local level conservancy and biodiversity monitoring and evaluation will be essential, this would contribute to the implementation of COP guidance on identification and monitoring indicators. Furthermore, the COP provides guidance on innovative measures related to conservancy-private sector partnership and associated awareness raising.

The project also responds to directions from the Convention to Combat Desertification (CCD). In the Convention's framework, human-induced pressure on natural resources, which is identified by the CCD as the main cause for desertification processes, is seen mainly as a result of poverty. Therefore, income generation, participatory approaches and community involvement are regarded as key elements for halting the world-wide spread of land degradation. Since COP 6 in Havana, the UNCCD is now recognized as a tool for rural poverty eradication. The convention's implementation with sustainable land management (SLM) aims to close the gap between scientific information available at the global level and the ability to use it at the local level and to mainstream SLM into poverty reduction strategies and the New Partnership for African Development (NEPAD).

2. Main sector issues and Government strategy:

Natural resource management and local, national and global environmental protection in Namibia involves a broad range of public (Government, mainly MET, MAWRD, MLRR and MRLGH) and private stakeholders (rural communities, NGOs, conservancies and private sector). Three inter-linked priority issues for these target groups need to be stressed: (i) Conservation and sustainable use of Namibia's biodiversity and resource base; (ii) Capacity for scaling-up CBNRM; and, (iii) Livelihood options for rural communities.

2.1. Issue: Conservation and sustainable use of Namibia's biodiversity and resource base

Namibia's ecosystems provide essential life sustaining services (food, fiber, medicine, tourism opportunities, shelter, etc.) and vital genetic material (required to enhance domestic crop and livestock species). Direct and indirect use (crop cultivation, woodlands, drylands, wetlands and marine fisheries; non-consumptive tourism and trophy hunting) of Namibia's biodiversity contributes to over 40 % of the GDP. The most important wild products include: meat, thatching grass, medicinal products and veld foods (from nuts, fruits, leaves, roots and bark), firewood, wood for construction and woodcarving. Wildlife harvesting represents the base of subsistence economies in rural areas (an estimate of 33 % total household consumption in rural areas comes from wild foods). These livelihood options depend greatly on the ecosystem characteristics.

The greater part of Namibia consists of arid and semi-arid rangelands with little to no permanent surface water. These areas, while being less diverse, support the megafauna such as wildebeest, buffalo, giraffe, zebra, oryx, kudu, eland, hartebeest, springbok, etc. and their associated large predators, including lion, cheetah and hyaena. Other areas have particularly high proportions of

endemic species, endemic to both the southern African subregion and to Namibia. The southern African endemics are part of the so-called “south-west arid” zone, which encompasses the Kalahari ecosystem. Nowadays, Namibia’s arid savanna systems and dry woodland areas have reverted to savanna-type systems as a result of land degradation processes and extensive deforestation. The results of increasing bush encroachment, soil erosion and soil salinization are causes of economic loss and escalating poverty through declining agricultural production and a loss of food security. Namibia's northern areas contain highly diverse ecosystems, particularly at the interface of wetlands, riparian belts and dry woodlands. They support important populations of globally threatened species, including desert elephant, wild dog, wattled crane and slaty egret. It can be assumed, that these areas that have the highest human population and livestock densities and that have been subject to extensive land clearing are those that have suffered the highest losses in biodiversity.

While 14% of Namibia has been set aside as state-controlled parks and reserves, the protected area network is heavily skewed towards the Namib biome, leaving savannas, woodlands and Karoo biome badly under-represented (only 4 of 13 vegetation types are comprehensively protected). Further, entire vegetation types are wholly unprotected and face imminent threat of degradation from the growing needs of Namibia’s human population. However, currently 17 registered conservancies are adjacent to Protected Areas and thereby increasing the viability of these PAs. Most of the valuable forests are found in the north of the country and are situated on communal land. Forests constitute an important resource for rural communities because of their wood products, habitat and potential role in providing locations for community-based tourism. Overexploitation of forests and uncontrolled cutting of trees for various purposes in the North is prevalent and woodland is cleared for shifting cultivation. State regulation of wildlife and forest products is extremely difficult to enforce due to large distances from administrative centers and lack of government resources.

There are several areas of special ecological importance in Namibia which require urgent conservation protection:

- the Kaoko escarpment including the Brandberg and nearby inselbergs and granite domes (communal lands including conservancies)
- the southern Namib centre of endemism in the Sperrgebiet (state land and freehold farming in the coastal zone)
- the woodlands, floodplains and riparian vegetation of the perennial rivers and surrounding areas in the Caprivi (communal lands including conservancies)
- the mountain savanna and karstveld of the Otavi mountainlands (freehold land, not within project intervention area)
- the dwarf shrub savanna of the Brukkaros crater (communal land with emerging conservancies in the South).

The three main land/resource use activities which impact the sustainable management and use options for the key Namibian ecosystems are (i) livestock keeping, (ii) wild natural resource use, and (iii) community tourism activities. Without an integrated ecosystem management planning framework, human settlers and livestock may compete with wildlife for sparse sources of water and grazing in highly fragile ecosystems that could most appropriately be managed and sustainably

utilized as for example wildlands for Namibia's rapidly growing high value ecotourism market.

Government strategy:

Namibia is one of very few countries in the world that enshrines the concept of environmental protection in its Constitution. Article 95 (1) of the Constitution states the following: "The State shall actively promote and maintain the welfare of the people by adopting policies aimed at the following: Maintenance of ecosystems, essential ecological processes and biological diversity of Namibia and utilization of living natural resources on a sustainable basis for the benefit of all Namibians, both present and future". A key part of the government's environmental and biodiversity strategy in rural Namibia is the development and implementation of the National CBNRM program, for which the Ministry of Environment and Tourism is the lead agency.

The National CBNRM Program is an important mechanism for implementing the goals and policies of the Government of Namibia to fulfill the constitutional obligation of utilizing natural resources for the benefit of all Namibians including those living in rural communities and who were previously disadvantaged. In particular, CBNRM offers the potential of extending biodiversity conservation and management beyond Namibia's protected areas network while providing at the same time for corridors through which wildlife can also safely move from one PA to another (e.g. many conservancies in Kunene and Erongo Region providing links between Etosha National Park and Skeleton Coast National Park thereby restoring traditional migration route of desert elephants and mountain zebra). In many instances, biodiversity hotspots are being or potentially considered to be incorporated into emerging conservancies (e.g. the Tsiseb Conservancy around the Brandberg Mountains, the Hobatere area in the #Khoadi//Hoas Conservancy, the Marienfluss Conservancy including the Otjihipa and Hartmann mountains), while conservancies established adjacent to existing parks and/or protected areas (e.g. Etosha National Park) greatly expands quality habitats and seasonal movement patterns for fauna. These corridors for gene flow make provision for the maintenance of viable biodiversity rich populations not only within Namibia, but also across international boundaries between South Africa, Angola, Botswana, Zambia and Zimbabwe.

Furthermore, the national CBNRM Program, has gained credibility within Namibia and is widely recognized and supported in NDP II principles (2001). The NDP II is considered as the first five-year development program of Namibia's vision 2030 document. The document presents in ten of its 48 chapters CBNRM development approaches and/or conservancies as cross-cutting strategies to further sustainable natural resource management, rural development, and poverty alleviation and equity. In particular, CBNRM and conservancies are seen as vehicles for achievement of the NDP II development goal no. 2 and its respective objectives: "Promote environmental and ecological sustainability" with three objectives: (i) Policy and legislative framework for sound environmental management and sustainable use of natural resources in place by 2005; (ii) Institutional arrangements for promoting integrated and coordinated approaches to sustainable development operational by 2005; and (iii) Programs on biodiversity, pollution and waste management and urban environment operational by 2005. The vision of NDP2 is "Sustainable and equitable improvement in the quality of life of all the people in Namibia". NDP2 National Development Objectives include: (i) to reduce poverty, (ii) to increase employment opportunities through the expansion of the national economy, (iii) to promote economic empowerment, (iv) to promote economic prosperity through high and sustainable economic

growth and development: (v) to reduce inequalities in income distribution, (vi) to reduce development inequalities among the country's regions, (vii) to promote gender equality and equity and (viii) enhancing environmental and ecological sustainability.

In addition, the MET participated in the development of the Rural Profile Strategic Framework (Ministry of Agriculture, Water and Rural Development) to raise CBNRM as an opportunity to promote rural livelihood and the potential of non-timber forest products for rural micro-enterprises. MET's contributions to rural development relate to the first 2 pillars of the RPSF (Employment and income opportunities created; Improved access to resources in a sustainable manner).

Under MET's leadership, the national CBNRM Program responds to national development and (global) environmental priorities by:

- (i) supporting sustainable use and conservation of Namibia's unique ecosystems and related biodiversity
- (ii) promoting appropriate land management schemes in an environment where availability of water and suitable rangeland as well as land degradation are the key limiting factors to sustainable management of scarce resources
- (iii) providing diversified livelihood strategies through responsibility over local resources, thereby addressing the root causes of threats to unsustainable resource and ecosystem management, and
- (iv) promoting participatory, accountable and democratic systems of local and regional governance.

MET aims to mainstream the National CBNRM Program achievements and objectives into other ministerial sector policies and regulations. Its own legal and policy framework is currently reviewed to ensure consistency and comprehensiveness of long-term conservation and protection of biodiversity and the environment while utilizing and up-grading mechanisms such as the national CBNRM Program and associated sustainable long-term funding mechanism, such as the Environmental Investment Fund.

2.2. Issue: Capacity for scaling-up CBNRM

The institutional structures at national, regional and local level responsible for natural resource management show insufficient capacity to cope with the needs of the expanding conservancy network and to develop a short and medium-term strategy for ensuring long-term sustainability, strengthening and scaling-up successful CBNRM models. The dynamic expansion of the conservancy network together with the need to establish linkages of the CBNRM Program to the on-going decentralization process at regional level has become a critical political issue which requires a strategic adaptation and significant investments. Government and CBNRM support organizations will need an increasingly different set of tools, staff qualifications, organizational functions, monitoring systems, business opportunities and funding mechanisms to deliver results-oriented and cost-efficient services to conservancies. These issues, if not addressed quickly, might jeopardize the sustainability of the CBNRM approach marked by significant early well recognized success.

Government strategy:

The Ministry of Environment and Tourism's approach to address the growing needs of the increasing and more diversified CBNRM Program is based on several elements (i) streamlining and harmonizing policies and strategies and legal framework to CBNRM; (ii) delegation and outsourcing of non-core MET functions to Non-Governmental Organizations and other institutions; (iii) moving to more result- rather than process-oriented services; (iv) targeted training and capacity building of MET central and decentralized staff related to specific planning, management and monitoring tools; (v) developing a comprehensive and integrated CBNRM monitoring and evaluation program with linkages to public education, awareness and participation; and (v) establishing a sustainable long-term funding mechanism.

With regard to the latter, the Ministry of Environment and Tourism (MET) and its partner organizations recognized that the government's budgetary resources are limited and are being sought after by a large and varied constituency. These agencies concluded that the financing of environment and natural resources (ENR) activities cannot be met solely from the public coffers. The NDP1 identified the need for new and innovative financing outside of government control and specifically made provisions for the establishment of an Environmental Investment Fund to secure long-term financial support for the activities and programs designed to protect Namibia's fragile environment while contributing to its economic development. It aims to support the conservation and protection of environment and natural resource (ENR), preserve the national biological diversity and provide economic support to the poorest sectors of society. The EIF is expected to provide support only to projects and activities that actively demonstrate and support this concept. The EIF is expected to raise local revenues via the introduction of statutory fees as determined by the Act of the Parliament of Namibia. It is a statutory and independent entity outside the public service and has clear and separate roles and function from any GRN body or entity.

2.3. Issue: Livelihood options fur rural communities

Half of the population is considered to be living below the poverty line, and the top seven percent of the population account for 48% of national consumption. Income distribution is one of the most unequal in the world, with a Gini-coefficient of 0.7. The unemployment rate is between 35% and 40%. Malnutrition rates in many rural areas are among the highest in southern Africa. The national illiteracy rate in Namibia is officially 17%, but in some of the more remote areas targeted by this project it is estimated to be as high as 40%. Gender inequality manifests itself in different forms, including differential access to resources, inheritance structures favoring men, women's exclusion from decision-making processes affecting their lives, etc. Poverty and inequality are serious threats to sustainable development in Namibia.

The 67.6% of the population (1,8 million) lives in the communal areas. The remaining 32.4% are resident in the freehold lands with roughly 24% living in commercial urban centers. About 85 % of Namibia's poor households are in the rural and communal areas mainly in the northern regions. Rural communities depend for the most part on subsistence agriculture: limited dryland cropping and/or livestock farming to a certain extent extraction of forests and other plant materials. In addition to the natural unpredictable environment, distant markets limits the development of farming in communal areas and agricultural incomes are low and variable. Rural-urban migration is a frequent pattern as livelihood alternatives appear to be very limited. Livestock is the main agricultural activity but constraints to sustainable management of rangelands is due to a lack of secure and exclusive group land tenure, and most importantly to scarce surface water. Subsidies

to communal and freehold livestock keepers (e.g. free water and fodder provision, drought subsidies, rent-free land, veterinary services, price support etc.) have put further pressure on communal pasture resources and encouraged over-stocking in the communal areas as well as increase in bush encroachment. These factors led to an increasing diversification into wildlife management and small-scale tourism activities which intends to improve the livelihood of rural communities and to create a valuable buffer against drought and unsustainable management of the limited resource base.

Government strategy:

The Government provides direct services to communities on communal land such as education, health, water, energy, housing and agricultural extension or transfer payments such as pensions as well as indirect services such as pricing of services, investment promotion, taxes and subsidies, and other macroeconomic incentives. In reality, these services are currently insufficient to cover the main needs of disadvantaged people on communal land. Rural poor communities need a greater access to education and participation in local development planning as well as share in the benefits from natural resource management (including wildlife management, tourism, forestry, fishery, and agriculture). NDP II restates that policies of decentralization and devolution of authority over natural resource management should be pursued from a point of view of poverty reduction because they tend to strengthen local-institutional capacity, increase participation of the poor, and stimulate local-level retention of benefits and cash incomes. Other means of poverty alleviation include promoting entrepreneurial drive and small-scale enterprise development; deregulating business environment to unleash absorptive potential of informal sector; and improving flexibility of the formal labor market to increase employment options and opportunities. It is in this regard that MET and other stakeholders have successfully introduced the cross-cutting CBNRM approach in the various sector strategies and government priorities presented in Namibia's National Development Plan II. The benefits of the CBNRM Program to the communal conservancies include an increase of income-generating benefits from rebounding wildlife, community-based tourism and other spin-off enterprises and newly established local democratic governance mechanisms and empowerment.

However, the challenge for the Ministry of Environment and Tourism and other stakeholders remains the implementation of the NDP II targets including the development of a reliable impact monitoring over medium to long-term. In its official CBNRM policy letter (see annex 12), MET outlines the key overlaps and synergies between other sector ministries (mainly between Ministry of Lands, Resettlement and Rehabilitation, Ministry of Agriculture, Water and Rural Development and Ministry of Local Regional Government and Housing). Furthermore, MET has developed strategic elements to focus more on the issue of sustainable use of natural resources in its CBNRM Program. It aims to improve the framework for investment incentives and partnerships with the private sector especially at the medium end of the community-based tourism market, which is expected to generate more local employment and income. Another challenge in Namibia remains implementation of land reform processes that aim to improve land tenure security in an equitable fashion. One aspect of that process involves the recently gazetted Communal Lands Reform Act, which in principle supports decentralized decision-making around land allocation and management. While it complements similar decentralization principles inherent in the CBNRM policy, the implementation of the Communal Land Reform Act may still be a lengthy process to ensure adequate engagement of communal land boards, traditional authorities, and other

stakeholders.

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

In synergy with national on-going efforts, the project will contribute to NDP II's mission statement for environment and sustainable resource management: "To contribute to national sustainable development through the promotion of the sustainable use of renewable natural resources, the promotion of sustainable rural and urban livelihood, and the maintenance of essential ecological processes, biodiversity and ecosystems."

Based on lessons learned from the first pilot phase of the National CBNRM Program, the project will consolidate the good practices and address the challenges identified (see annex 17). There is a unique opportunity to apply the National CBNRM Program approach (including establishment local level institutions, network of service providers) on all natural resources, such as forests, grazing land, indigenous plants, water and fisheries as a means to increase biodiversity, ecosystem processes and overall productivity. The project's strategic financial, institutional and technical choices use the catalytic support of GEF to address the main CBNRM sector issues below:

Sector issue: Conservation and sustainable use of Namibia's biodiversity and resource base and strategic choice:

The project will support priority conservancies in biodiversity rich target areas (based on criteria described in annex 2) likely to deliver results on the ground and global environmental benefits through the following elements integrated in its components 1, 2 and 3.

- (1) assisting MET to review and adapt its CBNRM strategic approach to the future needs of conservancies and the resource base.*
- (2) addressing threats and root causes of environmental degradation by piloting an integrated planning, implementation and monitoring approach;*
- (3) developing detailed baseline assessment and local monitoring and evaluation functions for sound impact monitoring;*
- (4) building on decentralization process to empower communities and strengthen local development capacities;*
- (5) coordinating with other (donor-funded) CBNRM support initiatives and NGO expertise to ensure geographic and sectoral complementarity (facilitating access to funding sources for development concerns that GEF or FFEM cannot finance); and*
- (6) assisting in the creation of regional conservancy associations as well as of a national conservancy association*

More importantly, the project will support the shift from wildlife-focused management (CBWM) to an integrated ecosystem approach (CBIEM) through the following elements:

(1) Strengthened legal and policy framework for CBNRM under component 3 (moving away from wildlife management as the center of the previous CBNRM) within MET (e.g. MET's revision of conservation policies into one bundled act including parks and wildlife management); but also within jurisdiction of other Ministries (e.g. Ministry of Agriculture, Water and Rural Development (e.g. for linkages to other resource uses such as rangeland management, water management), Ministry of Lands Rehabilitation and Resettlement (e.g. for improved conservancy representation within new land boards) and Ministry of Local Regional Governance and Housing

(e.g. for representation of conservancies in Regional Development Coordination Committees).

(2) Reform for CBNRM institutional framework under component 3 through: (i) the establishment of a multi-stakeholder and multi-sectoral CBNRM Consultative Forum under MET's leadership. This Forum comprises members from the stakeholder community (including other Government Ministries [in particular MAWRD, MLRR, MLRGH], NGOs, Conservancies, the academic community and the Donor Community inter alia.). This will ensure that the shift from Community-based Wildlife Management to Integrated Ecosystem Management is fully understood and supported by all stakeholders; (ii) MET's institutional restructuring to move away from segmented and sub-sectoral approaches (potential merge of current separate CBNRM subdivisions under Directorate of Forestry, Directorate of Tourism, Directorate of Parks and Wildlife Management).

(3) Direct investments for ecosystem restoration and rehabilitation measures under component 2 including plants and wildlife. These activities will build on and replicate pilot experiences under the highly successful Forum for integrated resource management (FIRM) approach (see annex 15, 2.1.2.2.) where formal linkages to other resource use schemes such as rangeland management, desertification control, fisheries, forestry and water management have been established and used for integrated conservancy planning and implementation.

(4) Targeted capacity building for conservancies and field-based support organization for integrated ecosystem planning (zoning, mapping), implementation and monitoring and evaluation under component 2.

(5) Identification and implementation of viable ecosystem-based income generating activities under component 1.

Sector issue: Capacity to scaling-up CBNRM and strategic choice:

The project aims to reduce/remove barriers at policy, institutional and financial level to sustainable integrated ecosystem management and the up-scaling of CBNRM. It has opted for the following approach through its component 3:

(1) strengthening GRN's policy and legal framework to enable integrated ecosystem management in conservancies and other conservancies.

While previous donor support under the National CBNRM Program was mainly provided to NGOs and partly to conservancies and is likely to continue, the governmental institutions involved and in particular MET were not adequately targeted. Therefore, the project aims to fill the institutional gap, and to strengthen directly the MET and other line ministries (i) to streamline and decentralize regulatory procedures; (ii) to support inter-ministerial cooperation on CBNRM issues; (iii) to recognize role of conservancies in the implementation of decentralization policies regional land use planning, sector planning and decentralized NRM and to facilitate their involvement in Regional Development Coordinating Committees; (iv) to harmonize sectoral policies of importance to conservancies (in particular communal land management and community-based tourism); (v) to identify synergies between CBD and CCD and in particular support efforts to control desertification and reduce the vulnerability of local communities to the potential disruptive effects and hardships associated with periodic droughts; and (vi) to facilitate mobilization of a sustainable long-term funding mechanism for biodiversity conservation (e.g. through the Environmental Investment Fund). A central feature of ICEMA's approach is the commitment to the sustainability of CBNRM activities after ICEMA's lifetime. Therefore ICEMA's strategy is to support local and central level existing institutions in order to be capable

of sourcing and managing funds. The CFF will serve as a local financial mechanism responsible for the mobilization of financial resources for local level ecosystem-based CBNRM activities. The EIF is expected to become a resource mobilizing institution in support of CBNRM through securing long-term funding base for various conservation activities in Namibia. Generally, the EIF is expected to invest in and support projects and activities that support the national development strategy of the GRN but for which the GRN is unable to provide the required financial investments.

(2) reinforcing capacity and institutional support for CBNRM at central and decentralized level:

The development and management of ecosystems in conservancies has been mainly focused on wildlife to date and it is only recently that conceptualization of a methodology for integrated ecosystem management development has been addressed. The integrated ecosystem management approach requires appropriate cross-sectoral cooperation and coordination between the main stakeholders involved (MET, other sector ministries, NGOs, private sector) to enable effective planning, implementation and monitoring at the conservancy level, regional and national level. However, the results of an institutional assessment and stakeholder analysis carried out during project preparation showed capacity and institutional gaps at the main service provider level (MET and NACSO), unlikely capable to respond adequately to the diversified needs of the increasing conservancy network and the up-scaling of CBNRM activities. The project therefore aims:

- (i) to build on the institutional working relationship between GRN, NGOs, conservancies and the private sector to increase the quality, transparency and the effectiveness of results-oriented delivery services to conservancies through targeted training, technical assistance and a set of criteria for outsourcing of MET's non-core functions; and (ii) to provide lessons for up-scaling and replication through the establishment of a coherent monitoring and evaluation system for the CBNRM Program in MET.

Sector issue: Livelihood options for rural communities and strategic choice:

The project supports sustainable use and diversified livelihood through:

- (1) providing money and technical assistance for increase of ecosystem-based income-generating, conservation and sustainable use activities in selected conservancies across its components 1, 2 and 3;
- (2) setting up a Community Funding Facility for income-generating sub-projects emerging from CBIEM planning processes;
- (3) promoting equitable sharing of costs and benefits of conservancy investment decisions;
- (4) providing training for business development and financial planning;
- (5) supporting shift from CBWM to CBIEM in targeted conservancies by piloting formal linkages to other resource use schemes such as rangeland management, forestry and water management; and
- (6) using bottom-up participatory planning mechanisms to reinforce CBNRM principles of good governance and local empowerment.

C. Project Description Summary

1. Project components (see Annex 2 for a detailed description and Annex 3 for a detailed cost breakdown):

1. Project components: (see Annex 1)

WB/GEF provides incremental financing for the project's 4 inter-related components that together serve to consolidate, add value to and build on the previous achievements of the National CBNRM Program. It will foster the shift from traditional natural resource management (mainly wildlife) to an integrated ecosystem management approach in targeted conservancies thereby enhancing globally significant biodiversity conservation and reducing land degradation while at the same time providing increased income-generating activities. ICEMA will support targeted conservancies on communal lands complying with ICEMA's defined strategic criteria. The project also provides institutional support to the Ministry of Environment and Tourism (MET), which is the governmental lead agency responsible for implementing the National Community-Based Natural Resource Management (CBNRM) Program.

Project components 1 "Ecosystem-based Income-Generating Activities" and 2 "Sustainable Ecosystem Management" support site-specific on-the-ground activities. Project component 3 "Targeted Institutional Support" focus on priority issues of the institutional, policy and financial CBNRM framework. All three components are expected to provide replicable lessons for the remaining conservancy network. Project component 4 "Project Management Support" aims to strengthen the capacity of the Ministry of Environment and Tourism to manage and supervise the project activities.

Component 1: Ecosystem-based Income-Generating Activities

This component is concerned with the sustainable use of natural resources and ecosystem services through provision of funds to communities for barrier removal to ecosystem-based income-generating activities that generate provide benefits to conservancies members. It specifically aims to:

- (i) provide resources for direct financing of demand-driven ecosystem-based income-generating activities,
- (ii) increase the viability of activities through tailored business planning, feasibility support, training and mentoring;
- (iii) promote mechanisms for equitable sharing of costs and benefits;
- (iv) develop and disseminate best practices for replication and up-scaling through monitoring and evaluation processes; and
- (v) contribute to improved participation in development planning processes at local and regional level.

The two closely inter-related *sub-components* are the :

a) Community-Funding Facility (CFF):

The sub-component focuses on the *delivery of sub-projects* (micro-projects) to eligible (see selection criteria in annex 19) registered conservancies. CFF funded activities will target a diversity of aspects related to wildlife, tourism, forestry, and multi-sector (e.g. non-timber forest products (NTFP) with emphasis on community ownership.

b) Capacity- Building and Technical Assistance:

This sub-component focuses on supporting the CFF through the following three activities:

- (i) disseminating information to eligible communities, with a view to *informing them of the CFF*

and providing guidance on accessing the CFF.

(ii) technical support *at the conservancy level for strategic business planning* as part of the conservancy ecosystem management planning process, including a mechanism for benefit sharing at the conservancy level.

(iii) *facilitation support* for sub-project development which will include:

o technical support for subproject development. Feasibility studies will identify and assess costs and benefits for new income-generating opportunities as well as to provide guidance based on marketing and management study results.

o implementation support for subprojects consist of subproject in-built technical assistance (TA) for training and mentoring to further strengthen capacity of local stakeholders, and to ensure desired quality and standards of subprojects;

o follow-up support for subproject management including management support and advice, knowledge management, and replication activities at local and national level.

Component 2: Sustainable Ecosystem Management

This component is concerned with restoring, securing and enhancing the biodiversity and ecosystem processes that support sustainable benefits to local communities on communal lands. The component will adapt its support according to national conservation priorities and the needs and current status of targeted conservancies. Some conservancies will only require basic support for the community based integrated ecosystem management planning and prioritization of activities, for developing methodological approaches for pilot activities, for designing an appropriate knowledge management plan. Whereas other conservancies, where there is a need and which have more capacity to plan and implement their plan, will benefit from an enhanced and more detailed approach.

The component provides funds and technical support to:

(i) establish approaches for CBIEM planning including inventory and baseline assessment as needed in targeted sites;

(ii) restore, maintain and enhance ecosystem services as part of the implementation of the management plans as needed in targeted sites;

(iii) develop capacity for local monitoring and evaluation functions related to ecosystem management (including replication) as needed in targeted sites.

The three inter-related *sub-components* are the :

(a) CBIEM Planning:

The sub-component will support the development of 15 integrated conservancy management plans in targeted registered conservancies that will guide resource based management activities.

(b) CBIEM Implementation:

This sub-component focus on the implementation of site-specific key prioritized activities for ecosystem restoration, wildlife translocation and other ecosystem management activities as outlined in the CBIEM plan.

(c) CBIEM Monitoring and Evaluation:

This sub-component focus on

(a) designing an adaptive and comprehensive CBIEM m&e methodology (socioeconomic and environmental) for local level users and uses;

(b) implementing m&e through support for data collection (tracker; aerial surveys, GIS) at local

and central level;

(c) providing training for local and central level stakeholders on m&e development and use.

Component 3: Targeted Institutional Support

The component aims to improve the MET's strategic planning, implementation, monitoring and replication capacity to promote, develop and implement the National CBNRM Program and policies in Namibia over the longer term. It will also provide institutional and operational support to selected conservancies.

The component is focusing on

- (i) strengthening MET's organizational framework for CBNRM;
- (ii) providing targeted training for MET's staff to support its leading role related to National CBNRM Program in place;
- (iii) reinforcing the MET to engage other sectoral ministries in the active support for CBNRM policies and the CBNRM Program implementation;
- (iv) facilitating the establishment of a sustainable financing framework for CBNRM;
- (v) providing direct institutional and operational support to targeted conservancies; and,
- (vi) developing and implementing a CBNRM knowledge management and communication strategy and action plan.

The three *sub-components* are:

(a) Policy and Organizational Review and Development:

This sub-component includes the following closely interlinked issues:

- (i) *CBNRM policy dialogue* (reviewing and enabling the priority legal framework; workshop support for improved inter-sectoral CBNRM policy coordination with other ministries);
- (ii) *CBNRM policy research* (identifying and funding of targeted CBNRM research issues to be undertaken or guided by a technical and scientific roster of experts);
- (iii) *CBNRM organizational review* (assisting MET to review its current National CBNRM strategy and institutional set-up with the aim to identify and implement a targeted training plan for MET's centralized and decentralized staff; further providing support to MET to formalize a CBNRM consultative forum to discuss policies issues, progress within the National CBNRM Program and associated activities and to share experiences);
- (iv) *CBNRM financial sustainability* (supporting the development of a sustainable financial framework including options to integrate the protocols used under the CFF under the Environment Investment Fund (EIF), assessments of the further use of the Game Product Trust Fund (GPTF), mainstreaming further funding for CBNRM into Government's budget, and development of a CBNRM cost-reduction strategy).

(b) Direct conservancy operational support (providing financial support for equipment and running costs as well as limited training and workshop budget for conservancy management needs).

(c) Knowledge Management:

The sub-component provides institutional support for

- (i) Training and technical assistance to MET staff to improve CBNRM scientific monitoring and evaluation activities and to further develop and adapt its central m&e system to the expanding

needs of the CBNRM Program.

(ii) Designing and implementing of a CBNRM knowledge management program (including a multimedia communication strategy and action plan outlining the communication tools, recipients and timeframe of actions; a CBNRM replication plan) for conservancies, central government and other stakeholders based on all National CBNRM Program and ICEMA project activities and achievements and lessons learned. A full economic study of the CBNRM Program will also be conducted.

Component 4: **Project Management Support**

The component aims to provide MET with the additional increased operational ability to manage and supervise ICEMA activities. French ICEMA co-funding to this component will strengthen the Project Office located in MET (attached to the PS office, see annex 13 for more details) expertise, implementation and delivery capacity by adding 4 technical experts with expertise (two national and two international) to the PO staff.

The two sub-components are:

(i) Project Office and Management: The sub-component provides the necessary infrastructure and training for the Project Office staff.

(ii) Review and Reporting: The sub-component enables the timely delivery of project reports according to the project implementation plan.

| Component | Indicative Costs (US\$M) | % of Total | financing (US\$M) | % of Bank financing | GEF financing (US\$M) | % of GEF financing |
|---|--------------------------|------------|-------------------|---------------------|-----------------------|--------------------|
| 1. Ecosystem-based income-generating activities | 10.83 | 33.4 | 0.00 | 0.0 | 2.20 | 31.0 |
| 2. Sustainable Ecosystem Management | 11.26 | 34.7 | 0.00 | 0.0 | 2.08 | 29.3 |
| 3. Targeted Institutional Support | 7.64 | 23.6 | 0.00 | 0.0 | 1.13 | 15.9 |
| 4. Project Management Support | 2.70 | 8.3 | 0.00 | 0.0 | 1.69 | 23.8 |
| Total Project Costs | 32.43 | 100.0 | 0.00 | 0.0 | 7.10 | 100.0 |
| Total Financing Required | 32.43 | 100.0 | 0.00 | 0.0 | 7.10 | 100.0 |

2. Key policy and institutional reforms supported by the project:

There exist already a range of enacted policy decisions in favor of CBNRM. To improve the consistency between sector policies and further adapt to the decentralization process, the project will assist the government, in particular the Ministry of Environment and Tourism, reviewing existing policies as well as examining new legal and policy documents for biodiversity, forests, wildlife and environmental protection. The project does not require or lead to institutional, policy or legal reforms but will improve institutional processes and regulations governing resource management, devolution of resource use rights and sustainable financing. In particular, the project will support:

- (i) MET's institutional restructuring to respond to its strategic planning for the future CBNRM Program;
- (ii) MET's revision of conservation policies (scheduled for 2005) leading to bundled legislation (one Act scheduled for 2004) including approval of Parks and Wildlife Management Act;
- (iii) MET's to develop a Tourism Concession Policy to strengthen conservancy rights over

tourism; and

(iv) MLRR's communal land act review and clarification of responsibilities of management entities (in particular related to conservancies and traditional authorities).

Additional areas for policy and institutional reform support have been identified in MET's policy letter (see annex 12).

3. Benefits and target population:

Benefits

The project will assist Namibia and its national CBNRM Program to enhance conservation of its rich biodiversity heritage through (i) promoting linkages and development between communal and freehold conservancies that will lead to a national conservation movement which could ultimately lead to a doubling of the 14% of land (approximately 115,000 sq km) in Namibia that is currently under conservation management through the Namibia protected area system; (ii) promoting integrated ecosystem management approaches and sustainable use of natural resources; (iii) addressing lack of local level capacity and financial start-up resources to enhance ecosystem-based income-generating activities (e.g. commercialization of indigenous plants; crafts production and sales, trophy hunting, community-based tourism) thereby providing for local income and employment and empowerment to influence and direct their own development mandate. By 2003, a total of 29 communal area conservancies have been registered. These twenty-nine conservancies incorporate more than 74 052 km² of prime wildlife habitat and involve more than 38,000 registered communal area residents (adults only) in conservation efforts (total estimated conservancy population estimates up to 150,000). A further 39 emerging communal conservancies are under development.

The expected benefits from the National CBNRM program and the project support have been summarized in the following table and a full economic strategy of the CBNRM Program will be conducted during the course of the project. A difference needs to be made between financial and nonfinancial benefits of CBNRM. The latter being less tangible, harder to measure, but from the perspective of social development and ecosystem sustainability, can far exceed financial benefits in significance. These intangible benefits include (i) capacity-building and empowerment; (ii) more secure livelihood; (iii) cultural and aesthetic values of wildlife and local traditions; (iv) enhanced natural resource base and (v) political, social, economic and environmental benefits at the national level. These benefits are expected to impact positively the San populations (if living in targeted conservancy area) and are further detailed in the IPDP action plan. Despite being difficult to assess, these less tangible benefits are taken into account in (i) the project's decision-making process (site selection) and (ii) the projects m&e system (impact indicators).

| Benefits (tangible and intangible) | Local | National/Global |
|--|--|--|
| Social and institutional | *Necessary policy framework and incentives for conservancies to sustainably manage all natural resources in an integrated manner *Enhanced participation, representativeness, accountability, and financial sustainability of | *National policy and legislation in conformity with international treaties promoting biodiversity conservation and alleviation of land degradation |

| | | |
|----------------------|---|---|
| | <p>conservancy decision-making institutions to manage and utilize natural resources sustainably</p> <ul style="list-style-type: none"> *Empowerment of all community members, including San people if living in targeted conservancy area *Equitable benefit sharing mechanisms established in conservancies *Increased conservation and utilization of traditional indigenous knowledge in decision making *General human resource capacity in local institutions strengthened to permit pursuit of other development goals such as improved rural health and education *Value of living and working in one's home area (cultural strengthening) *Possibility to work and continue to keep livestock both as security for one's livelihood and for social reasons *Ability to maintain and strengthen social networks and "safety nets" *Better protection from wildlife | <ul style="list-style-type: none"> *Enhanced national capacity of government institutions and NGOs to provide capacity-building services to protect globally important biodiversity and ecosystems and to reduce land degradation *Dissemination of best practices on integrated ecosystem management for replication and policy recommendations at national, regional and global levels *Improved cross-sectoral cooperation on CBNRM. |
| Financial | <p>Direct:</p> <ul style="list-style-type: none"> *Increased financial benefits for conservancies through enterprise development, joint ventures, hunting quotas, sale of wildlife products and revenue sharing schemes *Potential for income in form of payment for ecological services (biodiversity conservation, carbon sequestration) *Selected community development projects implemented through accrued revenue <p>Indirect:</p> <ul style="list-style-type: none"> *Employment *Capacity building *Improved productivity *Increased availability of subsistence products including bush meat *Diversified livelihood strategies and enhanced security by household incomes *Catalytic increased development inputs such as infrastructures, communication, training | <ul style="list-style-type: none"> *Support to development of national long term funding mechanism(s) for the conservation of globally important biodiversity *Improved national coordination of donor assistance to biodiversity conservation and ecosystem management efforts in Namibia in the context of CBNRM. |
| Environmental | <ul style="list-style-type: none"> *Reduced land degradation caused by soil erosion and desertification *Reduced illicit and unsustainable use of natural resources *Improvement of water quality and watershed management *Improved status of grazing, woodland resources, biodiversity habitats *Comprehensive M&E system for impact and performance monitoring on social, institutional aspects and state of environment improving local decision-making process | <ul style="list-style-type: none"> *Increased carbon sequestration through improved ecosystem management and enhanced biomass *Reduced land degradation caused by soil erosion and desertification *Improved planning and management mechanisms for globally important ecosystems *Reduced illicit and unsustainable harvesting of globally valuable tree species, wild plants, wildlife and other animals *Improved protection of endangered and endemic species and their habitats |

Range of target groups and beneficiaries:

Although the National CBNRM Program and the ICEMA Project will ultimately reach a broad range of involved stakeholders at local, regional and national level, the main target group and beneficiary of ICEMA will be communal conservancies and their community members, including San populations (depending on project target sites) and non-governmental CBNRM support organizations . In addition, ICEMA will support the line ministry responsible for the National CBNRM Program, the Ministry of Environment and Tourism (MET), to improve and strengthen the current policy, legal and institutional framework.

Other stakeholders involved are (i) Private enterprises engaged in joint ventures and tourism investments with conservancies; (ii) 23 freehold conservancies on approximately 3,850,000 hectares (represented by the Conservancy Association of Namibia CANAM) and (iii) farmers (represented by 2 Farmer's Unions); (iv) NGO members supporting and facilitating CBNRM and local development activities throughout Namibia and (v) other line ministries responsible for CBNRM such as Ministry of Agriculture, Water and Rural Development (MAWRD), Ministry of Lands, Resettlement and Rehabilitation (MLRR), Ministry of Local Government and Housing (MLRGH), and National Planning Commission (NPC).

4. Institutional and implementation arrangements:

FN: See annex 13 for more details.

(i) Project management: The Project Office (PO)

A Project Office will act as the project implementation support team. It will be closely associated to MET's high level management (PS Office) and report directly to the PS. The Project Office's composition consists of 4 full-time and 1 part-time staff : (i) a Project Office Coordinator, responsible for overall coordination and implementation; (ii) a Procurement Officer; (iii) an Accounting Officer, (iv) an Administrative Assistant; and (v) a part-time Monitoring and Evaluation Specialist.

Its main functions and tasks are related to :

- o Fiduciary obligations (including elaborating annual work plans and ensure their execution once approved; management of results-based disbursement from the Special Account; and ensuring compliance with agreed norms and procedures specified in grant agreement);
- o Day to day program coordination, communication and liaison with stakeholder groups and processing (including interaction with World Bank regarding project management and supervision missions);
- o Mobilization of backstopping;
- o Secretariat of the MET/ICEMA Steering Committee;
- o Aggregate project monitoring, auditing and reporting (including contracting external auditors); and
- o Finalizing and proposing modifications to project manuals and guidelines, as needed.

(ii) Project Steering Committee:

The MET/ICEMA's Steering Committee's purpose is to ensure compliance with proposed project objectives. To that end, the committee will provide technical project guidance and intra-ministerial

coordination. It will review action strategies, procedures and guidelines; analyze the project's annual work plan and analyze and issue opinions on technical and financial reports. The MET/ICEMA Steering Committee will make recommendations relating to issues that may require outside advisory support, drawing on support as needed from the TSAR. It will also obtain advice by liaising with other stakeholders through the national CBNRM Consultative Forum (FN. name of this Forum may be changed). The Committee will be chaired by the PS MET and comprise all 6 Directors (DSS, DPWM, DOT, DOF, DEA, DAS). MET/ICEMA Steering Committee meetings may fall together with MET's regular Management Committee meetings.

(iii) Project technical backstopping and information sharing : The Technical and Scientific Advisory Roster (TSAR) and the CBNRM Consultative Forum (CCF).

MET in consultation with other CBNRM stakeholders will develop a technical and scientific advisory roster (TSAR) for CBNRM related issues and themes. National (and international) experts on this roster will be used upon specific requests to guide project implementation and development of annual work programs from a technical and scientific perspective. Areas of designated expertise will include those associated with project safeguards (environment, resettlement, indigenous people) and will, for example, thus include at least one expert on social issues.

A CBNRM consultative forum, consisting of representatives from conservancies, NGOs, other GRN ministries, other donors and representative of related programs and projects will be established and chaired by the MET. This CBNRM consultative forum aims to provide for synergies, exchange of experiences and use lessons learned for policy and operational decision-making processes. Its recommendations will be disseminated through a CBNRM communication strategy, supported by the project. While at the project launch, the CBNRM consultative group might not be formalized, MET will ensure that an informal consultative process including all major CBNRM stakeholders will be in place. The CBNRM consultative forum is expected to be fully functional by mid-term. Its advice will be used to (i) inform a broad range of governmental, non-governmental, research, sub-regional and donor stakeholders, (ii) improve planned decisions at national and local level, (iii) assess experiences and lessons of the National CBNRM Program, (iv) indicate urgent strategic issues and (v) improve coordination and collaboration.

(iv) Project implementation and execution: MET, NGOs, Conservancies and private sector

A range of stakeholders will be involved in project implementation and execution. Whereas MET is responsible for the overall project implementation, it will outsource execution of activities for areas outside its core expertise and function or/and to increase its absorptive capacity. Training, decentralized M&E, and execution of sub-projects will all be facilitated by tendering such activities to the range of stakeholders through standard procurement arrangements.

MET: MET's current activities related to the National CBNRM Program include guidance and/or implementation support related to: resource inventories; natural resource utilization and management options; resource and land use mapping; resource management planning and monitoring, data analysis, reporting; research, economic analysis, case studies; establishment,

training and capacity building of CBNRM institutions; community by-laws related to NRM; translocation of wildlife species; afforestation/reforestation; problem animal management; fire management; establishment of NR based income-generating projects (e.g. wildlife, tourism, woodlots, nurseries, forest products, bee-keeping, wood carving). The administrative responsibility for CBNRM's technical implementation is currently with MET's *Department of Natural Resources Management (DRM)*. DRM includes the *Directorate of Parks and Wildlife Management (DPWM)* under which a *CBNRM Sub-Division (CSD)* is placed, *Directorate of Forestry (DoF)* and the *Directorate of Scientific Services (DSS)*. In addition, the *Directorate of Tourism (DoT)* is involved in community-based tourism. The sharing of CBNRM responsibilities and tasks between these directorates of the Ministry of Environment and Tourism and their demonstrated joint input in the project development process underlines the positive enabling environment for the paradigm shift from community-based wildlife management to truly integrated ecosystem management.

NGOs: NGOs support the development and implementation of conservancies as well as increase quality and cost-effectiveness of services provided by CBNRM support organizations. They further advocate for policy and legislative change, and monitors the effectiveness and impacts of conservancy development .

Conservancies: Conservancies have started discussions with MET to establish a forum where representatives of all registered conservancies can communicate and negotiate directly with MET. At its last meeting in October 2003, most conservancies agreed to formalize this arrangement and to form an association (the potentially called Namibian Association of Conservancies "NACA"). The constitution for such an association is currently under development. This evolution will greatly facilitate direct consultation concerning the national CBNRM program and various initiatives and projects under it. It further demonstrates strong political will to continuously support and empower conservancies and promote full participation of all stakeholders in the strategic orientations and implementation of the CBNRM. Furthermore, conservancies and their members (and their community members including San population if living in project area) are the main beneficiary as well as executing agency for the on-the-ground activities under component 1 and 2.

Private sector: The private sector plays several roles in the CBNRM Program, the most relevant are: (i) service providers for execution of specific activities under component 1 and 2; (ii) conservation partners to offer training and information events for communal conservancies and to support joint efforts to solve conservation issues such as problem animals and participate in game translocation schemes; as well as (iii) partners and co-investors in community-based tourism schemes.

(v) Project Monitoring and Evaluation (see annex 18):

Monitoring, as a process of systematic collection, analysis and use of data to improve project performance and project outputs will serve as an important management tool to guide ICEMA management and implementation at central and local level. Through the Project Office, ICEMA will establish and maintain an information data base linked to the Project Management Information System (MIS) and the logical framework. This will allow to assess and report on the

quality and quantity of work at each level. In addition, monitoring will be characterized by a rapid feedback from the project management to operational levels to address issues arising from the analysis of monitoring information. The project's monitoring system will be made accessible to all implementation stakeholders (MET, conservancies and their members (including San), private sector, NGOs and World Bank) and ultimately put on MET's CBNRM webpage.

The primary purpose of process, performance and impact monitoring of ICEMA implementation is:

(i) To monitor progress towards attainment of targets and to adapt targets to realities; (ii) To provide an improved foundation for planning; (iii) To make sure resources are used effectively and to identify unacceptably high cost interventions and operations; (iv) To identify problems and find solutions at an early stage; (v) To provide record of events; (vi) To look at 'process' of development such as staffing, capacity building and collaboration; (vi) To provide an information base for future evaluations; (vii) To maintain high standards; and (viii) To help staff feel their work has a definite purpose.

The project's performance M&E system will include monitoring of root causes at conservancy level and enabling communities to provide locally gathered and locally demand-driven data and information to input into sustainable local, regional and national planning and decision-making processes. The M&E system will provide the project stakeholders, mainly the Ministry of Environment and Tourism, the World Bank and the GEF through inputs in the PSR and PIR, and external partners with data and information to measure progress and performance, and to determine whether expected impacts have been achieved, and to provide timely feedback to ensure that critical issues are identified in the earliest stage and that appropriate actions are taken.

Furthermore, the project puts a strong emphasis on supporting MET with the development and implementation of a sustainable CBNRM M&E system at national and local level with information flow and feed-back loops between these levels. During project preparation, initial assessments of the current practices for National CBNRM Program have shown that there is need to improve existing information systems and that capacity-building among MET's Directorates and conservancies as regards planning and monitoring and evaluation is strongly needed.

(vi) Financial Management

Preparation of the proposed project has been spear-headed by a team led by the Permanent Secretary in the Ministry of Environment and Tourism (MET). Actual responsibility for project implementation will be vested in a Project Office (PO) within the MET.

A Project Coordinator will head the PO, which will also have senior officers in charge of accounting and of procurement respectively. The project's accounting officer will be responsible for all accounting record keeping, disbursements, reporting, and general financial management. He will report to the Coordinator, who in turn reports to the PS in the MET. The PS therefore retains overall responsibility for the performance of the project and for project funds. The PS is thus the "Accounting Officer" for the project.

Project financial management will be completely outside of the government accounting system. This means that there will basically be less bureaucratic processes but greater focus on a narrower range of expenditures. Both control and reporting ability should be enhanced by the Project Office's intimate knowledge of the various activities that will be going on.

For accounting and reporting purposes, a computer based financial management system will be established, and staff trained in its proper use.

In addition, the production of an Financial and Administrative Manual acceptable to the Bank will be a condition for effectiveness, meaning that processes and controls will be adequately described for users.

Project Accounting Staff will be recruited in accordance with Terms of Reference (TOR) acceptable to the Bank.

D. Project Rationale

1. Project alternatives considered and reasons for rejection:

Two main options were considered as a project alternative but were rejected:

1) "Continue to support an NGO led first generation conservancy approach (meaning traditional Community-Based Wildlife Management) and geographic expansion of the conservancy network". However, although this approach has led to a dramatic increase in registered and emerging conservancies and has contributed to strengthen the conservancy development process and local level institution building, it has not enough focused on the financial viability of conservancies and sustainability remains therefore a major concern. Furthermore, such an approach may not provide a mechanism for balanced sustainable ecosystem management nor foster multiple global benefits or use conservancies as a catalyst for local development and empowerment. Recent evaluations by USAID of its wildlife-focused LIFE program confirmed this finding and prompted USAID to adopt a shift to an ecosystem based approach in its newly conceptualized LIFE-PLUS follow-on support.

The proposed project design focus on supporting the paradigm shift towards integrated ecosystem management through targeted capacity-building for integrated conservancy planning and the identification and implementation of direct investments, viable ecosystem-based income-generating opportunities, and to a lesser extent on the process of establishing and registering conservancies.

2) "Support the national park network", despite the fact that most of Namibia's biodiversity is found outside protected areas and on communal lands. Hence, population pressures and other root causes for biodiversity loss and land degradation would not be addressed appropriately. Recent studies by DFID (December 2002) also confirm that protected area as well as broader IEM approaches are both instruments to deliver ecosystem benefit and development objectives of poverty alleviation that need to be assessed and adapted to each specific context. DFID Study on Wildlife and Poverty (December 2002) was inconclusive whether wildlife interventions are preferred over other interventions in poverty reduction, this means that the project uses one

potential legitimate intervention in a diversified portfolio. The study findings confirmed (i) that the presence of wildlife is important for poverty reduction, this means that an increase in conservancy numbers contribute positively to this aim; (ii) that access to wildlife is important for poverty reduction, this implies that conservancies can play an important role in benefit sharing; (iii) that the approach based on IEM (where ecosystem boundaries permit) may be more promising.

Another minor project alternative was assessed and is partially included in the project design:

3) "Support for only setting-up a conservation trust fund". Trust fund models have been used with some success in other countries, and a prefeasibility assessment was conducted for this project to determine its applicability for delivering funding support to the primary beneficiaries (conservancies). Using a conservation trust fund at this time is still too early and not adapted because most of the conservancies still need a lot of investments, capacity building, benefit sharing mechanisms to be operationalized, and of course broad based participatory legislative, institutional and regulatory evolution are still needed prior to the adoption of such a funding model. As part of the adoption of a sustainable financing strategy and action by the time of mid year review, continued support will be provided , with a view to potentially establishing more permanent funding mechanisms relating to the EIF, the Game Product Trust Fund, and other potential formal funds in a subsequent phase.

4) "Implementation arrangements"

The previously proposed institutional arrangements for ICEMA implementation directly through NACSO members (NGOs) without panel involvement of the MET was not endorsed by the MET. This situation led to a participatory project design review process (with involvement of the NGOs) and resulted in the proposed project design and implementation arrangements. It is anticipated that the CBNRM Consultative Forum will become an important facilitator in the inter-sectoral and multi-stakeholder setting of the National CBNRM Program, supported by ICEMA.

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

| Sector Issue | Project | Latest Supervision (PSR) Ratings (Bank-financed projects only) | |
|-----------------------------|--|---|----------------------------|
| | | Implementation Progress (IP) | Development Objective (DO) |
| Bank-financed | | | |
| Human Resource Development | ESW Human Capital Development and Knowledge Management (preparation) | | |
| | ESW Sources of growth (planned) | | |
| Natural Resource Management | Water Resources Management Project (completed) | S | S |
| Information Technology | Country Development Gateway | | |
| Decentralization | Urban Sub-national Project (preparation) | | |
| HIV/Aids | Development Impact of Aids | | |

| | | | |
|-----------------------------------|--|--|--|
| Sustainable Land Management | Promoting environmental sustainability through improved land use planning (PESILUP) (preparation) | | |
| Coastal Zone Management | Namib Coastal Biodiversity Conservation and Management Project (NACOMA) (preparation) | | |
| Public expenditures | Public Expenditure Tracking System (on-going) Economic monitoring (on-going) CEM Country Economic Memorandum (preparation) | | |
| Other development agencies | | | |
| GEF/UNEP | Desert Margin Program (on-going) | | |
| USAID | LIFE plus (planned for 2004 - 2009/10) | | |
| EC | Support to implementation of Strategic Framework for Rural Development (2004 - 2012) | | |
| EC | Tourism Development Program (ending most likely in 2004/2005) | | |
| Government of Finland | Namibia-Finland Forestry Programme II (ending most likely in 2004/2005) | | |
| GTZ | Namibia Programme to Combat Desertification (NAPCOD) (on-going but under review for 2004 - likely successor will combine biodiversity and desertification efforts) | | |
| GTZ | Sustainable Animal and Range Development Programme (SARDEP) (on-going) | | |
| KfW/DED | Support to National Forestry Programme (2003 - 2009 on-going) | | |

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

3. Lessons learned and reflected in the project design:

The project design builds on Namibia's experiences and lessons with the development and evolution of the first years of CBNRM in conservancies on communal lands (see Annex 17 for details). A broad-based national CBNRM vision process in 2001 with participating governmental and non-governmental organizations as well as international partners engaged in NRM and rural development further strengthened ICEMA's project design across its four components.

In addition, CBNRM lessons learned based on analyses of lessons from the following sub-regional evaluations: (i) USAID's Regional Center for Southern Africa (RCSA) based in Botswana, which has provided support for the implementation of CBNRM programmes in four southern African countries since 1989 under the "Regional Natural Resource Management Project (RNRMP), (ii) evaluation of 4 phases of the Zambian CBNRM Program (LIRDPA) and (iii) DFID's Wildlife and Poverty Study, December 2002 were reviewed and adapted to the Namibian project context.

The key lessons and strategic recommendations to enable the national CBNRM program to move to the next level in terms of consolidating program leadership and ownership, institutionalization of cost-effective and efficient CBNRM support services, strengthened partnerships, and increased program and conservancy sustainability are (USAID LIFE mid-term review):

ICEMA's component 1 Benefit Enhancement:

1. *Participatory Democracy* - Develop a program-wide emphasis on strengthening conservancies as participatory democracies based on control by the constituency acting through sound, constituted, accountable, transparent, democratic and equitable village-level institutions.
2. *Financial Sustainability* - Set in place plans for each conservancy to achieve financial sustainability as soon as possible.
3. *Economical Sustainability* - Get economic benefits flowing to conservancies.

ICEMA's component 2 Sustainable Ecosystem Management:

4. *Re-prioritisation of the planning process*—Simplify the conservancy ecosystem planning process, with an emphasis on improving livelihoods by achieving financial, institutional and natural resource sustainability.

ICEMA's component 3 Targeted Institutional Support:

5. Reorient and expand support for the national program to address critical emerging issues and to increase the program's relevance to the *government's sustainable development priorities*.
6. *More robust performance and compliance monitoring*—Implement comprehensive, but simple, performance and compliance monitoring and control systems and communication strategy for program achievements.
7. *Land tenure*: Strengthen existing rights and secure additional rights for the conservancies.
8. *Long-term funding*: Secure funding for the medium term and financial sustainability over the longer term.

Finally, the USAID LIFE mid-term review in 2001 highlighted the need to improve and facilitate the access and use of CBNRM related information at central and local level (including m&e information) for all stakeholders involved. *Therefore, the ICEMA project design has supported*

the development of the basis for a communication strategy during preparation. The four project components include various elements for its implementation (dissemination and knowledge sharing) (see Annex 17).

4. Indications of borrower and recipient commitment and ownership:

Namibia is one of very few countries in the world that enshrines the concept of environmental protection in its Constitution. Article 95(1) of the Constitution states the following: "The State shall actively promote and maintain the welfare of the people by adopting policies aimed at the following: Maintenance of ecosystems, essential ecological processes and biological diversity of Namibia and utilization of living natural resources on a sustainable basis for the benefit of all Namibians, both present and future". The National CBNRM Program is coordinated by MET and its mission is "to provide and coordinate information and technical support communities and stakeholders for sustainable natural resource management and utilization to improve the livelihoods of all Namibians and to conserve biodiversity."

MET in accordance with the constitution has adopted, implemented and will continue to develop policies to enhance and protect Namibia's fragile environment while producing economic benefits for Namibians in the present and the future. The Ministry sees the National CBNRM Program as an important mechanism for implementing goals and policies to fulfill the constitutional obligation of utilizing natural resources for the benefit of all Namibians including those living in rural communities and who were previously disadvantaged.

The legal basis of the National CBNRM Program is grounded within existing legislation as well as official policy documents of the MET. There are also a number of draft legislation and policy initiatives that are pending that will provide additional support to the national program. The principal legislation governing the operation of the National CBNRM Program and in particular the conservancy program is the Nature Conservation Ordinance of 1975 through the Nature Conservation Amendment Act (No 5) of 1996. In addition, legislation such as the Game Products Trust Fund (GPTF) Act (No 7) of 1997, the Namibia Tourism Board Act (No 21 of 2000), the Forest Act (No 12) of 2001 and the Namibia Environmental Investment Fund Act (No 13) of 2001 contains provisions in support of or of consequence to the CBNRM program. Policies of MET governing and/or affecting the National CBNRM Program include Namibia's 12 Point Plan for Integrated and Sustainable Environmental Management, the Wildlife Management, Utilization and Tourism in Communal Areas, Conservation of Biotic Diversity and Habitat Protection, Land Use Planning, Tourism White Paper, Environmental Assessment and the draft Parks and Wildlife Management Bill.

Financially, MET has requisitioned the necessary and increasing budget support for counterpart funding to ICEMA over its current three-year planning cycle, and has also planned for a supplementary funding of some N\$50 million for direct investment in CBNRM initiatives outside of ICEMA. Finally, Namibia has ratified all major global environmental conventions, in particular the Biodiversity, Climate Change, and Desertification Convention and MET regards this project as one major instrument to implement adequate aspects of the Biodiversity Strategy and Action Plan and the National Action Plan to Combat Desertification.

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

Over the past years, the Bank's continuous dialogue with Namibia focused on macro-economic policies, human resource management, natural resource management, HIV/Aids and strategic partnerships. A proposed Comprehensive Development Framework for Namibia was discussed in 2000. Efforts since then have built on this dialogue and provided the Bank with a sound knowledge of Namibian institutions, donor approaches and policy and regulatory framework. Supporting technical assistance provided by the Bank on water sector reform, capacity building, decentralization, education and sources of growth complement the project efforts and ensure consistency at macro-level.

Moreover, the Bank/GEF is playing a catalytic role to cover a wide range of issues relating to biological diversity and integrated ecosystem management at the communities level and to support cooperative partnerships between various stakeholders at governmental, non-governmental, community and donor levels. It aims to leverage additional resources throughout the first and potentially second phase of the project which will be of great importance to support the larger CBNRM framework and its implementation. The ICEMA Project builds on the principles and the objectives laid by the National CBNRM vision process, which was discussed with a broad range of CBNRM stakeholders including the MET in 2000 and takes a long-term holistic approach while targeting specific incremental activities within this larger framework. Assistance from WB/GEF will help to consolidate progress made thus far in CBNRM in Namibia, and bring longer-term stability in the program by enhancing MET's abilities in the fields identified. The GEF, associated to the French GEF support fills a serious gap in the current funding framework for CBNRM by providing the requested support to MET that no other donor is currently providing. So far, there exists a range of donor funded initiatives in conservancy development, community based tourism development and related fields, either directly through MET or NGOs. The principal support has thus far come through the USAID LIFE project and the EU-funded tourism development program. Further, the Bank's has increasing experience in, and ability to facilitate long-term, programmatic approaches to biodiversity and integrated ecosystem management, poverty alleviation and sustainable resource use. The Bank can build on its recent portfolio of programmatic community-driven development (CDD) projects in Africa which provides insight into adequate design and implementation of conservation and ecosystem management objectives, jointly with development efforts based on a participatory community-based approach. Several CDD projects, some of them with a GEF OP 12 support, are being developed and piloted in Burkina Faso, Nigeria, Niger, Guinea, Rwanda, and Kenya. The proposed project design incorporates the most relevant lessons learned of these operations and the annual Project Implementation Review of GEF.

E. Summary Project Analysis (Detailed assessments are in the project file, see Annex 8)

1. Economic (see Annex 4):

- ☐ Cost benefit NPV=US\$ million; ERR = % (see Annex 4)
- ☐ Cost effectiveness
- ☒ Incremental Cost
- ☐ Other (specify)

The up-dated incremental cost analysis can be found in annex 4.

2. Financial (see Annex 4 and Annex 5):

NPV=US\$ million; FRR = % (see Annex 4)

N.A.

Fiscal Impact:

N.A

3. Technical:

The technical issues described below were assessed during the preparation phase with PDF-B financing. A full list of studies and activities supported is available in annex 8. Four main technical issues have been identified throughout the first phase of the National CBNRM Program and ICEMA project preparation and have been incorporated in the project design:

- a. Design, test, implement, monitor and replicate ecosystem management activities.** Activities such as the development of game translocation schemes, sustainable harvesting of indigenous plants, sustainable land planning and management activities and the development of guidelines to assess activity cost-benefits are incorporated in component 2. In addition, the component 2 will support feasibility studies for innovative ecosystem management studies. Furthermore, component 3 will provide funds for necessary targeted research (e.g. cost-benefit analysis for targeted activities as well as for conservancies in general). It will also support the development of a national CBNRM m&e system in MET as well as the development of a learning and communication strategy and action plan, thereby using experiences gained for verification and later replication. More importantly, as both on-the ground components will be implemented in the same project sites, linkages between sustainable use activities within component 1 and ecosystem management activities within component 2, based on the same conservancy ecosystem management plans, are expected to lead to a win-win situation with improved ecosystem management and increase in income-generating activities.
- b. Use an adaptive management approach for conservancy planning, implementation and monitoring and evaluation.** Adaptive management here means to accommodate the different baseline situation and needs of priority conservancies (e.g. with regard to existing local capacity, existing support from NGOs, potential for financial viability) and not to apply an one-size-fits all approach. The project responds in its components 1 and 2 through provision for basic or detailed business and conservancy ecosystem planning, implementation and monitoring. It is expected that the first 2 years will lead to an adaptive toolbox for governmental and non-governmental support to conservancies which can be proposed and applied as necessary.
- c. Promote participation, equity and empowerment in conservancies.** While these objectives are at the origin and center of the CBNRM Program, there remains still much to be done. The project design uses about 75 % of its funding resources to target directly conservancies (incremental support for ecosystem-based investments through the Community-Funding Facility and ecosystem management as well as capacity building, training and direct operational support for the local level conservancy institutions). Further, the project component 1, 2 and 3 aims to strengthen conservancies as local level institutions to (i) develop, agree on and implement a benefit sharing mechanism, (ii) develop individual

cost-reduction strategies, (iii) choose a suitable service provider for quality service delivery and (iv) ensure good governance through training, capacity building, communication and knowledge management.

- d. Elaborate a multi-stakeholder communication, replication and knowledge management strategy and action plan.** Currently, only fragmented approaches try to collect and disseminate CBNRM relevant information and lessons learned and most of them are donor-driven. However, the dynamic development of the conservancy network and the broadened scope of the CBNRM Program requires a sound strategy to inform all governmental, scientific, local, and external stakeholders and decision-makers involved about ICEMA progress and experiences as well as about the National CBNRM Program in general. This will help to avoid overlaps and reduce potential conflicts between CBNRM relevant interventions and to reduce stress on already restrained human resource capacity. More importantly, it will contribute to institutional and knowledge sustainability at several levels. Through ICEMA's component 3, the Ministry of Environment and Tourism will be supported to set up a CBNRM consultative forum and to develop and implement a CBNRM communication, knowledge management and replication strategy and action plan.

4. Institutional:

The project will be implemented by MET who will be nominated as the responsible executing agency under the Grant Agreement with the National Planning Commission (NPC). A detailed description of the implementation arrangements can be found in annex 13.

MET's mandate includes strategic planning and coordination of environmental conservation, establishment of environmental and conservation concerns within national policy, coordination of land use planning and community-based conservation programs and the development of policies, plans and legislation. The MET's programmes support the establishment of legal entities such as conservancies, community forests (the first community-forest is expected to be declared in 2004) and community-based enterprises in rural areas (see annex 12 for policy and legal framework details). Additionally, MET's policies improve access to and productive use of natural resources on communal lands, through devolving management responsibilities with the right to benefit from sustainable use of wildlife, eco-tourism and forest resources. The Directorate of Environmental Affairs is responsible to ensure sustainable management and utilization through its Biodiversity Strategic Action Plan, its Program to combat desertification and bush encroachment and its desertification action plan (NAPCOD) and INFOCOM monitoring systems. The Economics Unit within DEA provides economic analysis which also contributes to understanding economic values of natural resources and their potential markets, which informs decision makers for rural development policies and programs.

During the project's preparation phase, the MET's ownership over the project increased substantially until it confirmed full responsibility for implementation with outsourcing to NGOs, conservancies and the private sector for MET's non-core activities. However, a preliminary assessment during project preparation of demonstrated the need to strengthen MET's delivery capacity through targeted training and capacity building and a detailed institutional and organizational internal review process. In addition, the pace and scope of the project's roll-out plan over its lifetime will correspond to existing and up-coming governmental and NGO/conservancy capacity.

Summary Project Financial Management Analysis – Institutional

The ICEMA project is the first major Bank and GEF activity to be undertaken by Namibia. It is to be implemented by the Ministry of Environment and Tourism (MET) through a specifically created Project Office (PO). The compact PO, which will be headed by a PO Coordinator and will contain a Procurement Officer, an Accounting Officer and a Monitoring and Evaluation Specialist, will house the project's financial management section. The 'section' will consist of the Accounting Officer, who will have the assistance of the Administrative Assistant in the PO, as well as the MET/ICEMA Steering Committee and the Permanent Secretary (PS) in the MET at his disposal.

The terms of reference for the hiring of the PO staff have been agreed with the Bank to ensure that the positions are filled by persons whose qualifications and experience meet the Bank's expectations for those positions.

The Accounting Officer will have operational responsibility for all project accounting, record keeping, disbursement, general financial management, financial monitoring and reporting.

In addition to hiring the best available staff :

- A suitable Financial and Administrative Manual will be developed for use by the project;
- An appropriate and user friendly computer based accounting system will be developed for the project;
- The project would use standard double entry accounting that will comply with the Government of Namibia's cash accounting system;
- The necessary Financial Monitoring Reports (FMRs) have been designed and agreed by negotiation;
- Appropriate audit arrangements have been made for the project.

A detailed **Financial Management Action Plan** incorporating all of the above is included in the Annex 6 (B) to the PAD.

4.1 Executing agencies:

MET will be responsible for ensuring the smooth and efficient implementation of the project's various technical programs. MET's Directorates (including DSS, DoF, DPWM, DoT and DEA and others as necessary) will cooperate through a MET/ICEMA Steering Committee that will provide guidance to the technical aspects of all project activities; individual Directorates may take the lead on some activities but in general all Directorates will potentially contribute to providing technical input for all project sub-components. One role of the Steering Committee will be to ensure that such guidance is conducted efficiently, and it may thus from time to time delegate specific technical tasks to individual Directorates (in a similar fashion that MET's Management Committee currently operates).

The functions of the MET/ICEMA Steering Committee, in consultation with the Project Office, will include: (i) preparing annual work plans for the project, identifying the roles of MET's Directorates within the activities identified in that plan; (ii) developing terms of reference (TORs), short lists, and requests for proposals (RFPs) for consulting assignments, and providing key inputs for the preparation of bidding documents, including technical specifications, for goods contracts; (iii) assisting the PO in establishing and maintaining a filing system to record all documentation in

relation to the project implementation; (iv) participating in bid evaluation and short-list approvals, including those associated with the CFF; (v) advising on the need for retaining specific advise from the TSAR; (vi) advising on the need for supportive research studies relating to MET policy initiatives; (vii) contributing to M&E efforts as may be called for by the project's M&E system; (viii) dealing with public relations concerns that may be referred to it by the Project Office; (ix) being available for World Bank Supervision missions, which will be scheduled to ensure that schedules are mutually convenient.

The project will also be informed by CBNRM Consultative Forum that is available to the MET/ICEMA Steering Committee, and that comprises members from the stakeholder community (including other Government Ministries [MAWRD, MLRR, MLRGH], CBOs, NGOs, and the Donor Community *inter alia.*). It is intended that through institutional strengthening under Component 3, this function will have a more formal structure by the project mid-point. Project budgets provide for regular gatherings or meetings of the forum members to exchange views.

4.2 Project management:

A Project Office (PO) will be established to handle all day-to-day management issues of the project. The Coordinator of the PO reports directly to the PS of MET, and, in addition to its project management staff, the PO and MET have access to a roster of experts (the Technical and Scientific Support Roster) on an “as needed” basis to provide ad hoc external technical and scientific support. The arrangements for project management have been clearly defined in the project implementation plan. A detailed project monitoring and evaluation plan will be produced by time of effectiveness to monitor project implementation and performance.

The PS MET, chair of the MET/ICEMA Steering Committee, will approve the annual work plans and budgets, after review and endorsement by the MET/ICEMA SC, as well as all official project reports.

4.3 Procurement issues:

Procurement Arrangements

A Procurement Officer will be employed in the Project Office and will be responsible for handling all the project's procurement related matters.

A procurement plan will be prepared and updated annually. A detailed plan will only be required for the first year of implementation. The procurement plan is part of the Project Implementation Manual (PIM). The PIM also includes the Financial and Administrative Manual which include a section that lays out the institutional arrangements for procurement.

The procurement plan will include the following:

- Thresholds for procurement methods and prior review have been determined by the procurement capacity assessment; for amounts below the thresholds only the first 5 contracts will be subject to prior review;
- Project costs are presented per procurement category (works, goods, consultant services/training) including contingencies; the government contribution when applicable is included in the total cost amount for each procurement category;
- Consultant selection arrangement is spelled out;

- Statement of Expenditures (SOEs) coincides with the prior review threshold for procurement, also in the Grant Agreement;
- Community-based procurement is described separately in a manual because of its specific character; since CB-procurement is for sub-projects launched and carried out by communities during the project.

For project delivery, one can distinguish between the Community Funding Facility, which is delivered substantially as a series of small sub-projects in support of Component 1, and all other disbursements related to Components 1-4. Subprojects are decentralized to relevant Community Based Organizations for micro-project development in support of income-generating activities. Once a designated conservancy has been awarded a sub-project, management of the funds for that sub-project – including procurement and contracting decisions – are vested with that conservancy so long as the contract is below a certain threshold (US\$50,000). For larger sub-project expenditures (e.g., civil works projects for community lodges), MET will exercise further controls by having greater oversight over the procurement processes (above threshold of \$50,000).

Disbursement Arrangements

The flow of funds arrangements for the project will entail the operation of three bank accounts as follows :

- o Two bank accounts to house the GEF funds:
- o The US\$ denominated Special Account (SA) to be operated by the counterpart and held at a local commercial bank acceptable to IBRD;
- o A Namibia \$ denominated Project Account (PA) also to be operated by the counterpart and held at a local commercial bank.
- o One Namibia \$ denominated ‘Counterpart Fund’ Account (CFA) to be held at a local commercial bank to house funds dedicated by the counterpart to the project.

IBRD will disburse the initial advance from the proceeds of the grant into the Special Account. Actual expenditure there-from will be reimbursed through submission of Withdrawal Applications (WA s) and against Statements of Expenditure (SOE s) which will be approved in accordance with internal control procedures to be established by the Project Office.

Counterpart funds will be allocated through the normal Central Government budgetary process, but in addition, actual cheques have to be raised and the amounts deposited into the CFA for the project’s ongoing use. An initial advance from Government will be required to open the bank account . This will be reinforced by VAT refunds which the Ministry of Finance agreed to credit direct to the project’s counterpart fund account.

All three bank accounts should be in place by the time of effectiveness. Details of the necessary authorizations and the bank account signatories should be documented as part of the Financial and Administrative Manual.

4.4 Financial management issues:

Financial Management

The financial management function is housed in the PO. The Accounting Officer will report to the Project Coordinator and will have total responsibility for the accounting, record keeping,

disbursements and financial reporting for the project. To facilitate easy identification of sources as well as the utilization of funds, separate accounts will be maintained for the individual donor agencies into which the amount received will be deposited. The following accounts would be established:

- o Special Account for GEF denominated in US dollars would be established against which funds from the Grant account will be transferred to.
- o Project Account denominated in Namibian Dollars in which funds are periodically deposited from the Special Account to finance project activities.
- o GRN funding account denominated in Namibian Dollars to channel GRN Counterpart funding support to project. This account will receive advances from the MET budget and from VAT refunds generated and retained by the project.

Audit Arrangements

All government expenditures are subject to annual audit by the Controller and Auditor General (CAG). It has been established that the CAG may sub-contract the responsibility to a qualified firm of auditors. The audit of the preparatory grant was contracted to KPMG, however a fresh tender will be necessary for the audit of the full grant, once it is received. The auditor will be required to express an opinion on the audited project financial statements only, in compliance with International Standards on Auditing (IFAC/INTOSAI pronouncements). It is recommended that arrangements for the external audit of the financial statements of the project should be communicated to the Bank through agreed terms of reference.

5. Environmental: Environmental Category: B (Partial Assessment)

5.1 Summarize the steps undertaken for environmental assessment and EMP preparation (including consultation and disclosure) and the significant issues and their treatment emerging from this analysis.

A full environmental and social assessment (ESA) was undertaken by recruited local and international consultants as part of the project preparation process. It has been carried out in line with Namibia's National Environmental Assessment Policy, the emerging Environmental Management Bill and the applicable World Bank safeguard policies (OP 4.01, OD 4.20, OD 4.30, OPN 11.03 and OP 4.04). The ESA provides an analysis of all biophysical and social impacts associated with the implementation of the project and its activities. It includes 4 volumes: (i) Volume 1, the executive summary; (ii) Volume 2, the main ESA report; (iii) Volume 3, the Indigenous People Development Plan (IPDP) and (iv) Volume 4, the Resettlement Policy Framework (RPF). The main ESA report contains an assessment of each component; the analysis of the project environmental and social impacts; a mitigation plan with measures to limit these impacts and a separate environmental management plan. The ESA methodology is based on documentation review, technical analysis and a detailed consultative process including an audit of the National CBNRM Program with all concerned stakeholders. As the overall project aims to promote integrated ecosystem management and thereby restore, secure and enhance ecosystem processes, the ESA concluded that the ICEMA project is likely to be very beneficial to CBNRM in Namibia whilst any potential negative impacts are expected to be minimal and can be mitigated.

The ESA analysis has concluded that under this project no impacts related to displacement of population are foreseen. For the specific case of project interventions in conservancies with San populations, an Indigenous People Development Plan has been developed. The IPDP defines the

project activities and mitigation measures that San consider as profitable for them in terms of social, economic, cultural and environmental development.

The revised and final ESA, the IPDP and the RPF have been officially reviewed and cleared by the Directorate of Environmental Affairs, Ministry of Environment and Tourism. The documents have been disclosed through the MET's CBNRM webpage.

The Project Office located in the MET PS Office will be responsible for ensuring compliance with the Bank's as well as Namibian EA procedures. The different Directorates under the MET will effectively manage implementation of safeguard measures for those activities and sub-components where the respective Directorate is taking the lead on overall implementation.

The Namibian EIA processes are already being extensively applied in-country and only modest need for training is expected. Still, capacity building at national and local (conservancy) level will be needed for Bank safeguard requirements and procedures. Several workshops and training courses have been planned and budgeted for under the ICEMA project.

It is expected that only selected activities under Component 1 (Ecosystem-Based Income-Generating Activities) and 2 (Sustainable Ecosystem Management) are likely to trigger formal EA processes, e.g. development of alternative income generating possibilities through small-scale business including community-based tourism investments, ecosystem restoration, rehabilitation measures including infrastructure and translocation.

5.2 What are the main features of the EMP and are they adequate?

An Environmental and Social Management Framework has been specified in the ESA report (section 8). It consists of 4 sub-sections: project risks, decision making processes at conservancy and national levels, capacity building requirements and conclusion.

Eight key issues have been identified as a potential cause for concern:

- (i) Consistent and favorable policy environment
- (ii) Institutional relationships
- (iii) Governance within conservancies
- (iv) Community empowerment
- (v) Natural Resource Management
- (vi) Poverty Alleviation
- (vii) Gender issues
- (viii) Distribution and reinvestment of income

In many cases the mitigation measures recommended are already in place and/or can be built into the way in which the executing agencies carry out their work with local communities. Moreover, development of capacity and awareness for environmentally and socially sound management, at the beneficiary level, will be emphasized as the project provides for significant technical assistance for capacity building and training at local and national levels.

The ESA report further assesses potential negative social and biophysical impact and other key

issues of the ICEMA project and identifies appropriate mitigation measures at a sub-component level (section 7). Overall impacts of the project are expected to be of positive. All identified potentially negative impacts can be mitigated within the current project design as well as within existing national EIA mechanisms. Annual project workplans which will be reviewed each year as well as sub-projects to be submitted under the Community-Funding Facility will also be screened and assessed for environmental and social safeguards issues in relation to the investments and activities proposed for the following year of project implementation. Applicable mitigation measures would thus be integrated into annual work plans and budget allocation.

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

Date of receipt of final draft: 12/31/2003

The ToRs for the EA and the IPDP and RPF were reviewed by ASPEN and a non-objection was given. ASPEN and the Ministry of Environment of Tourism have cleared the EA, RPF and IPDP documents. The EA, RPF and IPDP documents are disclosed in-country and have been sent to the Bank Information desk (Infoshop).

5.4 How have stakeholders been consulted at the stage of (a) environmental screening and (b) draft EA report on the environmental impacts and proposed environment management plan? Describe mechanisms of consultation that were used and which groups were consulted?

The terms of reference of the environmental assessment have been developed in close consultation with the key stakeholders involved (MET, donor programs and NGOs). Furthermore, a participatory process led to an audit of the past achievements CBNRM Program and the anticipated ICEMA project (see audit results in section 4 of the ESA). As part of the process multiple field visits to conservancies were conducted and consultations have taken place with representatives of communities and representatives of local civil society organizations. The document was drafted based on these discussions and consultations and the process ended with a multi-stakeholder workshop including MET and local NGO representatives as well as other relevant stakeholders. The draft ESA was circulated to local NGOs supporting conservancies following the workshop to consult on information provided in the document.

The ESA provides for awareness and training workshops of national and local stakeholders and training activities will be held for monitoring and evaluation systems to follow-up on the impact of proposed measures. Site-specific consultations through the MET and other stakeholders are planned with communities of potential target sites, including San communities (currently 10 potential sites are identified for year 1).

5.5 What mechanisms have been established to monitor and evaluate the impact of the project on the environment? Do the indicators reflect the objectives and results of the EMP?

The project's component 2 includes a sub-component supporting the development of a simple and adapted local level monitoring and evaluation function in targeted conservancies based on the baseline assessment and the CBIEM plan. It provides for capacity-building to develop suitable local level impact indicators, to collect, use and manage data and builds on previous support provided to conservancies on the establishment of resource inventories and the development of the conservancy management plan.

In addition, the project's component 3 includes a sub-component to strengthen MET's effort to build a comprehensive CBNRM m&e database and m&e system linked to other existing

environmental database structures. Both levels, national and local level, will be interlinked. The project performance monitoring and evaluation systems located at the PO level, will contain the activities to be monitored, the methodology, assignment of responsibility, and tools for assessing whether the identified mitigation measures have been successfully implemented.

The project performance and impact indicators as well as the mid-term benchmarks reflect the objectives and results of the ESA and the EMP. The project monitoring and evaluation manual as well as the Project Implementation Plan will include the results and mitigation measures as well as monitoring and evaluation suggestions of all ESA volumes.

6. Social:

6.1 Summarize key social issues relevant to the project objectives, and specify the project's social development outcomes.

The project is designed to have a positive social benefit to communities in conservancies targeted by the project. Communities living in these conservancies will benefit from new employment opportunities, especially in the tourism sector, and other income-generating activities with equitable benefits to conservancy members through sustainable use of ecosystems. The project will support the development and implementation of conservancy business frameworks also promoting equitable sharing of cost and benefits within a conservancy.

The Environmental and Social Assessment identified the following three key social issues:

- (i) risk of exclusion of stakeholder groups
- (ii) access to project benefits
- (iii) conflicting demand on same resources.

The project design has built in mitigation measures across component 1, 2 and 3 as to strengthen social capacity, empowerment, improve accountability and social inclusion, cohesion and to increase equity.

As part of project preparation process, a Indigenous Peoples Development Plan and Resettlement Policy Framework have been developed under coordination of the MET. The central premise of the action plans proposed in each of two documents is to integrate activities into the project design that enable the achievement of desired social outcomes and put in place adequate measures and mechanism aimed at avoiding or reducing possible negative social impacts.

The San people, known as the country's earliest inhabitants, live in some of the potential project target areas (Tsumkwe District, West Caprivi, North Central, and Otjozondjupa), the project is therefore paying special attention to first avoid and secondly mitigate any direct or indirect negative impact the project could cause on the San in the project area. For this purpose, an Indigenous Peoples Development Plan (IPDP) inline with the Indigenous People's safeguard policy (OD 4.20) was developed to ensure that the San benefit from the project and to endeavor to maximize positive effects of the project to the San. A description of the indigenous peoples action plan including a provision for social assessments of San in target conservancies and an annual monitoring and review of San issues is provided in the IPDP.

The Resettlement Policy Framework (RPF) provides an explanation of the World Banks Involuntary Resettlement Policy OP4.12 and how it relates to the ICEMA project. No displacement of population is foreseen under the ICEMA project. A description of the RPF

processes for the project, including how RAPs should be designed if needed, is provided in the RPF as well as in Section 2.8.1.2.1 of the ESA (Vol. 2).

6.2 Participatory Approach: How are key stakeholders participating in the project?

FN. For more detailed information, see annex 20.

The project builds on partnerships, working relationships and other collaboration schemes between local communities in communal conservancies, decentralized and central governmental services, private sector, and NGO members. Information sharing, consultation and collaboration among these key stakeholders are essential and assured through the projects knowledge management program and the CBNRM consultative group (to be created). All key stakeholders have been consulted under the leadership of MET, supported by NACSO secretariat and the PDF B Management Committee throughout the preparation process. The implementation of the communication strategy, developed during project preparation, under component 3's knowledge management sub-component will ensure that results, lessons learned and updated on the CBNRM Program are disseminated. Further, the project will support the establishment of a national communal conservancy association and regional communal conservancy associations.

It is important to recognize the role of the conservancy management plans (CMPs) in the context of conservancy-level activities and investments. Conservancy members are actively involved in conservancy management planning at all stages. This means that conservancy members have ample opportunities to participate in decision making processes so that they can negotiate with the conservancy management committee representing the conservancy and leading the planning process. In those conservancies with San members where the project will support interventions or investments, San participation in conservancy management committees will be encouraged.

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

The Government fully acknowledges the outstanding contributions made by NGOs and other agencies in the CBNRM field, within the overall policy framework for CBNRM as established by Government. While the Namibian Government has said that (see policy letter in annex 12) it is not able to include NGOs in the direct management of the project, there has been wide consultation with the NGO community (members of NACSO Namibia Community Based Natural Resource Management Support Organizations and others) concerning this project. This community have confirmed full support to the ICEMA approach. Further, NGOs, conservancies and private sector forms will be eligible to participate through contracting on many of the project's activities as service providers. Training, decentralized M&E, and execution of sub-projects will all be facilitated by tendering such activities to these groups through standard procurement arrangements. Of special note, however, will be their role in delivering Component 1 activities associated with the Community Funding Facility and its related technical assistance. The general organization of the project has all procurement channeled through the MET via the Project Office. In the case of sub-projects under the \$1.7 million CFF, the PO will receive proposals from conservancies and others to undertake such small-scale activities. The proposals will have been developed using technical assistance funds that are also available through the MET PO for undertaking feasibility studies or developing proposals. In this manner, NGOs, for example, may be contracted by MET/PO to assist conservancies or others to develop detailed sub-project

proposals. Once received, the sub-project proposal will be evaluated by MET and, if successful, funds will be made available to the particular conservancy for that sub-project. Actual implementation of the sub-project will then become the responsibility of that conservancy. Procurement and disbursement will be conservancy responsibility, with various procedures being followed according to a sub-project operational manual. Conservancy implementation will in principle be locally driven, but may require input from MET for authorizations above certain thresholds (US\$50,000) or when technical advice might be required. Reporting to the MET PO will depend on sub-project duration; short projects (<1 year) will require monthly progress reports while longer sub-projects will require quarterly reports.

NGOs have been consulted throughout project preparation and will continue to have the opportunity to participate in providing strategic guidance through the CBNRM consultative group that will be established under the project. The CBNRM consultative group also plays an important role for coordination with other donor supported interventions working in rural areas through civil society representatives. Further, the implementation of the communication strategy as part of the knowledge management sub-component (C3) will enhance permanent exchange and discussion with NGOs and other civil society organization. The project will also support conservancies in their efforts to form a national and regional conservancy associations to ensure bottom-up participation of conservancy members through representatives in the National CBNRM Program (see also annex 20).

6.4 What institutional arrangements have been provided to ensure the project achieves its social development outcomes?

FN. For more information on local governance and participation in conservancies see annex 20.

Conservancies are managed by conservancy committees. These bodies are composed of democratically elected members and are responsible for institutional management: planning, overseeing implementation of plans, personnel management, financial management, reporting, networking and communication. Conservancy committees are also engaged in the development of land, natural resource and tourism management plans to provide for better management and community-guided implementation in their areas. Conservancy leaders are accountable to its members for transparent, democratic, equitable, constituted and sound planning and management including benefit distribution. Conservancies are also accountable to the MET on the basis of the legal and policy framework for conservancies.

The project's components 1 and 2 targets local level institutions such as registered conservancy committees. It aims to increase governance, transparency, fair benefit sharing at local level through provision of technical assistance, training and capacity-building activities. Community making processes will be strengthened, community leaders will be held accountable for their actions, and transparent leadership will be encouraged.

Furthermore, the project will actively support the MET and the conservancies to continue and strengthen their efforts towards the formation of a National Conservancy Association (potentially called NACA). This association is expected to enhance the legitimacy, bargaining power of conservancies and facilitate the direct dialogue with central government. Importantly, rural

communities will gain enhanced exposure to democracy and governance. An added advantage of the association will be the conservancy-to-conservancy exchange and sharing which will be supported under ICEMA's knowledge management sub-component. In addition, the project will respond to the request of specific conservancies to form regional conservancy associations, thereby supporting bottom-up institutional strengthening among conservancies, identifying synergies of pooling together resources (e.g. wildlife, wild plants, know-how and lessons learned, contacts with service providers).

In the shift towards community based integrated ecosystem management that is supported through the project, joint planning and management with other institutional arrangement at local level will be improved, e.g. local water committees, rangeland committees, forest committees.

The achievement of the project's social development outcomes is based on (i) the use of the voluntary conservancy development guide or other planning tools which enables conservancy members to decide on their own path based on a transparent self-assessment of their resources, capacities and development vision and on (ii) the project's support for a close interaction between central and decentralized governmental, non-governmental and private support to deliver demand-driven services to communal conservancies based on annual work plans.

6.5 How will the project monitor performance in terms of social development outcomes?

The project has identified as one of its key performance indicators for its development objective "MET as CBNRM lead agency established effective partnerships with other agencies and institutions, including local governments, NGOs and private sector to enable achievements of project objective in an efficient and effective manner." The measurement of this KPI will be based on 10 priority actions including enhanced knowledge management and institutional strengthening among stakeholders at national and local level. The monitoring and evaluation system will further include i) social indicators focusing on livelihood impact and institutional performance (adequacy of resource allocation, economic efficiency, transparency and accountability) at local and service delivery level as well as ii) indicators identified in the IPDP monitoring plan. Feed-back loops between local, national and project level m&e system will allow local stakeholder to receive socioeconomic and environmental data for their own analysis and use.

Finally, ICEMA will use data and results of the first household survey in conservancies (activity funded by DFID but results not yet available) to prepare and implement the first cost-effectiveness study of conservancies (under component 3).

The TSAR will include a social scientist to assist in particular with compliance of the IPDP action plan. The Bank's supervision team will also include a social scientist to monitor and advise on the community aspects of the project.

7. Safeguard Policies:

7.1 Are any of the following safeguard policies triggered by the project?

| Policy | Triggered |
|--|---|
| Environmental Assessment (OP 4.01, BP 4.01, GP 4.01) | <input checked="" type="radio"/> Yes <input type="radio"/> No |
| Natural Habitats (OP 4.04, BP 4.04, GP 4.04) | <input checked="" type="radio"/> Yes <input type="radio"/> No |
| Forestry (OP 4.36, GP 4.36) | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Pest Management (OP 4.09) | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Cultural Property (OPN 11.03) | <input type="radio"/> Yes <input checked="" type="radio"/> No |

| | |
|---|---|
| Indigenous Peoples (OD 4.20) | <input checked="" type="radio"/> Yes <input type="radio"/> No |
| Involuntary Resettlement (OP/BP 4.12) | <input checked="" type="radio"/> Yes <input type="radio"/> No |
| Safety of Dams (OP 4.37, BP 4.37) | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Projects in International Waters (OP 7.50, BP 7.50, GP 7.50) | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)* | <input type="radio"/> Yes <input checked="" type="radio"/> No |

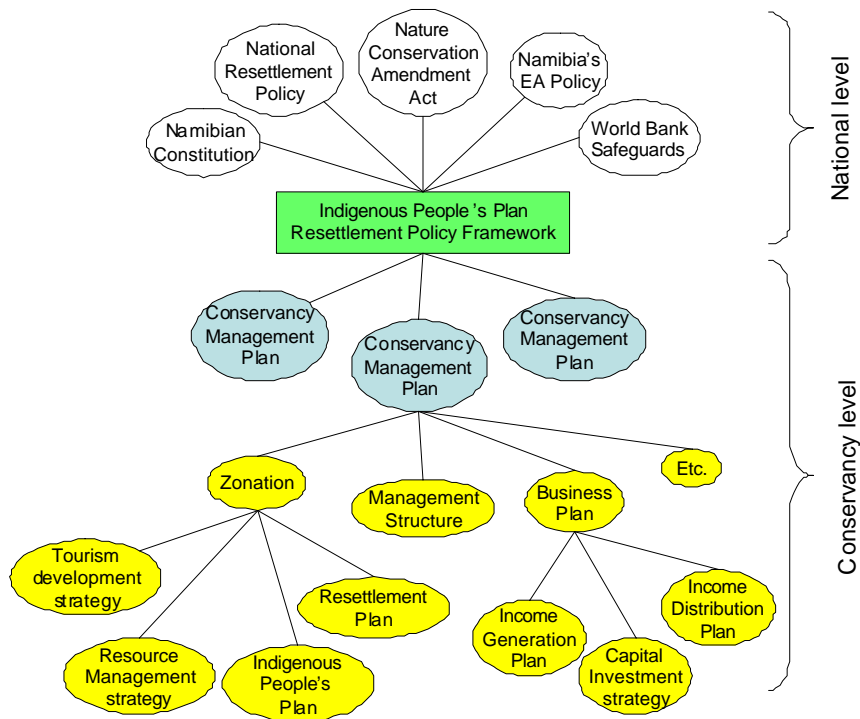
7.2 Describe provisions made by the project to ensure compliance with applicable safeguard policies.

The environmental and social assessment (ESA) examined the project's potential negative environmental and social impacts and recommended measures to prevent, minimize, mitigate, and compensate for adverse impacts and improve environmental performance. Overall, a positive natural habitat outcome is expected from project implementation in terms of biodiversity conservation and improved integrated ecosystem management. The ESA led to the definition of an Environmental Management Framework, an Indigenous People Development Plan and a Resettlement Policy Framework. ICEMA will follow recommendations to mitigate undesirable impacts as identified:

Central role of CMPs in the local-level planning process:

The role of the conservancy management plans (CMPs) have a central role in the context of conservancy-level activities and investments. All micro-project within a conservancy are planned in line with the respective CMP. The CMP provides the overall vision for the conservancy and outlines development priorities specific to the conservancy (e.g. income generating activities), parameters for resource utilization, rangeland and wildlife management, infrastructure development, etc. Thus, potentially negative social or biophysical impact will be identified and prevented or addressed at CMP level. The ICEMA project will provide technical support for improving and upgrading existing CMPs (component 2). This support would include the integration of safeguard issues into CMPs.

Illustration of the overarching framework policies and laws, and the various levels of planning that are required for the successful implementation of the project



Some conservancy-level activity or investment developed in the context of the CMPs might require an EIA. Namibia's Environmental Assessment Policy is clear on the process that must be followed in the mitigation of impacts through conducting EIAs (more details on EIA process can be found in section 8 of the Environmental and Social Assessment prepared for the ICEMA project).

Component 1 – Ecosystem-based income-generating activities. Complementing the CFF sub-project eligibility criteria for all targeted conservancies (described in the CFF manual), this component provides for the creation, distribution and implementation of a generic checklist for safeguard issues. The intent of the checklist is to ensure that safeguards are upheld at the sub-project level.

Component 2 – Sustainable Ecosystem Management. Site selection and design of activities within this component provides for incorporating safeguard elements, and for compliance monitoring of those safeguards at a decentralized level. Pilot activities will be implemented only if feasibility studies have shown no negative impact.

Component 3 – Targeted Institutional Support. All M&E activities coordinated centrally will report on safeguard issues.

Component 4 – Project Management Support. An annual safeguard report will be prepared by the Project Office.

Additional cost to ensure safeguard compliance.

Project funds needed to ensure compliance with safeguard measures are integrated into budget for all operational processes. The CFF manual, for example, has included safeguard issues within its screening activities. Similarly, all planning activities include safeguard issues. Therefore costs for compliance with safeguard issues are not listed as a separate cost item, but integrated in particular under the budget for the project office, budget for M&E, budget for TSAR, and budget for development of management plans. The underlying reason for the above is that safeguard issues can not be implemented as a standard activity that can be replicated across all conservancies in the same fashion. Instead the project is following a community-driven approach and safeguard activities will need to be integrated into site-specific actions and investments planned and reviewed on an annual basis through the annual work plans.

Other.

GRN is committed to ensuring that no involuntary resettlement occurs within this project and that the rights of indigenous people will be protected consistent with the laws of GRN. GEF funds will not be used for resettlement or direct compensation; if and where such funds are required, GRN will use its own resources to finance such undertakings. If such funds are unavailable from these resources, activities will be adjusted to remove the impacts that might necessitate such compensation.

Implementation of the Indigenous Peoples Action Plan

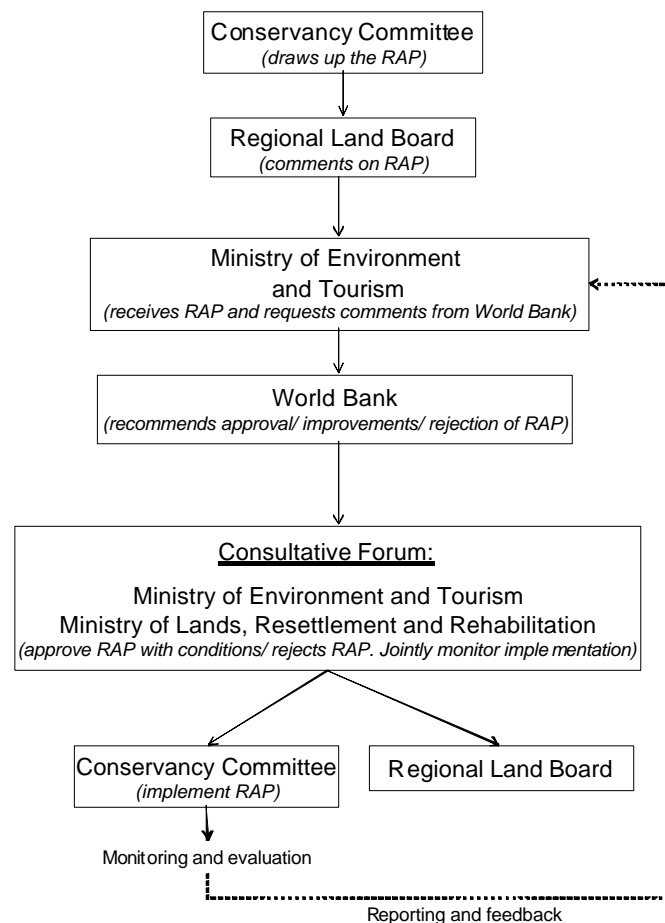
An indigenous peoples actions plan was developed to ensure compliance with the indigenous peoples concerns. The key elements of the Indigenous peoples action plan provide for:

- o San Village Development Committees could ensure that San interests are properly reflected in conservancy structures.
- o Conservancy trusts where San are a minority should be the first point of contact for such San.
- o Strategic social assessments will be carried out on an annual basis at individual San community level in all conservancies with San that have been identified for investments in the respective annual work plan. These assessments would identify how San would be enabled/encouraged through self-help groups and otherwise to participate in the conservancies.
- o Ensure that San are represented on conservancy committees in proportion to their population.
- o Conservancy personnel will be mobilized to address San issues, and their capacity to do so will be built with project resources for field operations.
- o San issues to be integrated into each relevant conservancy management plan
- o Half-yearly assessment to review San progress would be carried out. WIMSA has been identified as a candidate for monitoring and evaluation of San issues, developing databases and training, etc.
- o Design of group and household development/income plans for San as part of the conservancy benefit distribution plans that will be developed with support of the project.
- o A social specialist would be part of the Technical and Scientific Advisory Roster to guidance and advice on San issues.
- o A grievance committee for San with representation from the Conservancy, the San community, MET and WIMSA would be established.

Implementation of a Resettlement Action Plan

An template resettlement action plan was developed to ensure compliance with the resettlement policy framework. In the case of involuntary resettlement, the conservancy committee (either on its own or assisted by development partners) is responsible for developing the Resettlement Action Plan (RAP), and the process must be consultative and transparent. The RAP must then be submitted to the Land Board for the region within which the conservancy is based, and the board should provide its opinion about the appropriateness of the RAP (figure below). The presence of all the key government ministries on the Land Board (which operates under the guidance of the Governor) enables multi-sector input and screening at local level. Thereafter, the Land Board submits the RAP, together with its recommendations, to the Ministry of Environment and Tourism (MET) who in turn invite comments from the World Bank. Once these are received, the MET and the Ministry of Lands, Resettlement and Rehabilitation (MLRR) jointly evaluate the RAP, taking account of the comments made by the Land Board and the World Bank. Once they approve of the RAP, the MLRR formally communicates this decision to the conservancy, providing a copy of its approval to the Land Board. It is thereafter the responsibility of the conservancy to implement the RAP, and to provide feedback (on the basis of an agreed monitoring and evaluation plan) to MET.

Process to be followed in approving a Resettlement Action Plan and in informing the relevant authorities of progress in its implementation.



Thus, the implementation of this project must encourage the conservancies to undertake as much of the planning and decision-making as possible at the local level, since this is an important aspect of capacity building and empowerment. However, it is also necessary that the conservancy maintain a direct line of communication with the MET, especially on issues that are likely to require a higher level of planning, such as an EIA.

F. Sustainability and Risks

1. Sustainability:

The project supports a holistic approach to establish and sustainably ground community-based integrated ecosystem management in the conservancy network and National CBNRM Program of Namibia. Intensive consultation with all CBNRM stakeholders throughout the entire project preparation process (about 2 years) provided for a detailed assessment of the baseline situation leading to a carefully designed and realistic project with the overall goal to ensure longer term ecological, social, institutional and economic sustainability. In addition, the lessons learned from the past years of the CBNRM Program have shown the need to promote CBIEM under an adaptive management approach, strong on learning and feedback loops. ICEMA's design has incorporated these elements and promotes a phased approach under each of its components (piloting and testing, monitoring and evaluating before developing models and mechanism to be rolled out) which is expected to contribute to social, economic, financial, ecological and institutional sustainability of the CBNRM Program as a whole and individual conservancies.

These sustainability aspects will be achieved through multiple linked efforts described below.

(i) *Economic and social sustainability:* ICEMA will pilot and expand on capacity-building activities for business planning, management and monitoring at conservancy as well as at sub-project level under its component 1 "Ecosystem-Based Income-Generating Activities" and the Community-Funding Facility. The proposed CDD approach to provide direct resources to targeted conservancies for their identified sub-projects is expected to significantly empower local communities and to provide an adequate basis for future economic and social sustainability of conservancies as institutions and as a group of poor rural households. Sub-project screening criteria (see annex 19) include social development criteria such as gender sensitivity, equitable access to resources and the use of culturally appropriate economic development. Successful approaches (in terms of economic and social performance and acceptance as well as in terms of meeting ecological targets) will be rolled out during the project's lifetime. More importantly, the project will support the development of applicable and manageable benefit-distribution guidelines and models which has been one of the short-falls of the previous years.

(ii) *Financial sustainability:* Most conservancies depend currently on external support to cover their operating costs. However, a few conservancies have managed to become financially viable. Although some of the factors for these champions are known informally (e.g. environmental, social and financial assets, conservancy priorities and level of support received), no official study or report provides a detailed assessment. Therefore, ICEMA will undertake also a cost-effectiveness analysis of conservancies under its component 3 " Targeted Institutional Support" to provide a sound financial and nonfinancial insight in external and internal costs and

benefits related to conservancy planning, management and monitoring. These results are expected to better guide overall communal conservancy development trends and to adapt strategic and operational CBNRM supportive decisions.

In summary, the project's sustainable financing strategy is based on a mix of several elements targeting the local as well the national level: (i) cost reduction at local level through improved planning and increasing capacity building and learning curve, simplified procedures for business plans and benefit distribution, and pooling of resources between neighboring conservancies (under ICEMA's component 1 and 2); (ii) increasing ecosystem-based income generation activities (as promoted under ICEMA's component 1) and (iii) long term funding through the development of a sustainable financing plan for the National CBNRM Program, designed by mid-term (under ICEMA's component 3 "Targeted Institutional Support")

(iii) *Ecological sustainability*: The project will contribute to ecological sustainability through enhanced local and national ecosystem planning, management and monitoring and evaluation systems under its component 2 "Sustainable Ecosystem Management". Linkages between communal conservancies, freehold conservancies, national parks and other community-managed areas will substantially increase conservation zones that are providing habitats and important biological corridors for wildlife movement (e.g. one main area of the project's intervention zone is in the North West in between 2 National Parks, Etosha and the Skeleton Coast). At MET's level, the Directorate of Scientific Services and the Directorate of Parks and Wildlife Management are closely working together to ensure that communal and freehold conservancies and national parks support the broader national and sub-regional ecosystem and corridor approach (using detailed aerial surveys and remote sensing results). The development and implementation of the tailor-made local level integrated management plans for registered conservancies will address cross-cutting sustainability issues (social, ecological, economic/financial), based on a detailed baseline assessment of the resource base, communities and their livelihoods and identify suitable sustainable land and resource use options. Specific interventions for ecosystem restoration and rehabilitation will be tested and rolled out if successfully. This implies that each activity will be embedded in a framework of feasibility studies, piloting of investments and local and national level monitoring and evaluation.

However, ecological sustainability differs from social, economic, financial and institutional sustainability as it needs a much larger time frame for impact assessment and sustainability purposes. The limited time frame of most projects, in the case of ICEMA 5 years, does make it difficult to predict longer term ecological sustainability.

(iv) *Institutional sustainability*: The project supports through its component 3 "Targeted Institutional Support" capacity building measures mainly within the Ministry of Environment and Tourism. It aims to strengthen CBNRM coordination among various MET directorates and to improve their capacity by (i) providing a basis for streamlining MET's CBNRM delivery mechanisms; (ii) providing a basis for staff training on CBNRM issues; (iii) providing implementation support for new government regulations and policies relating to CBNRM.

In addition, the project implementation structure includes a CBNRM Consultative Forum that will be spear-headed by MET and that will involve all national stakeholders (related line ministries, local conservancies, NGOs, donors) in an effort to promote the principles of CBIEM and to

coordinate nation-wide efforts in that regard.

At local level, the project does reinforce existing local governing structures (mainly conservancy committees) through the delivery of locally needed technical and financial services related to inter-conservancy exchanges and learning events supporting the creation of regional conservancy associations and the national conservancy association.

1a. Replicability:

The MET and the NACSO network have both taken stock of the main lessons generated under the first generation of the National CBNRM Program (see section D.3. for more details). The key lessons incorporated into ICEMA's project design include (i) the move away from a limited sectoral (tourism and wildlife) towards an integrated ecosystem management approach, (ii) the strengthening of the institutional and policy framework at central and local level including the establishment of accessible monitoring and evaluation mechanisms, and (iii) a strong emphasis on a community-driven approach towards conservancy related investments and livelihood options. Through its pilot character in selected areas (e.g. game translocation, ecosystem restoration, use of Community-Fund Facility) the proposed project will provide additional lessons learned for replication and scaling-up, if appropriate.

Replication plan

The project design is based on the long-term objective to replicate and scale-up cost-effectively successful interventions and lessons learned in other conservancies with similar socioeconomic and environmental conditions in Namibia as well as in sub-regional CBNRM Programs. In particular the components 1 and 2 (interventions on the ground) are structured to enhance such replication of positive experiences after ICEMA's lifetime provided that sufficient funds from national budget and/or other sources (e.g. donors, private sector) will be made available. Capacity building for MET staff and conservancies will be essential for both sustainability and replication. In addition, the project design aims to provide lessons learned for integrated ecosystem management, in particular under component 3, to (i) undertake an economic efficiency analysis in selected conservancies; and (ii) to introduce additional quality enhancement features in the m&e system such as an external annual audit and a risk verification strategy.

The replication approach will be based on providing improved access and facilitating an exchange of information and good practices and is expected to respond to the different needs of the various stakeholders (conservancies, governmental services, donors) involved. Replication results are expected to be used as input in the up-coming National Development Plan (NDP III 2005 - 2009) and thereby contributing to continuity and sustainability. Furthermore, the knowledge management approach will include and thereby strengthen existing indigenous knowledge on resource planning, resource uses and resource monitoring. Various instruments will be used for information dissemination, such as (i) conservancy exchanges (e.g. through enabling the proposed conservancy associations); (ii) workshops at grass-roots and national level on specific themes; (iii) annual publication of the national CBNRM Program documents (e.g. the Annual State of Conservancy Report); and (iv) study tours throughout the country. A budget will be earmarked for this knowledge transfer.

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

The major risks that need to be addressed during project implementation are the following:

- (i) delivery capacity constraints; and,
- (ii) ineffective implementation of small-scale investments at the community level.

The primary internalized mitigation measures involve adaptive learning processes and the use of small-scale interventions, with strong elements of M&E controls throughout the management process. For example:

- o all investments will be undertaken against feasibility studies that have been done with local participation;
- o the approximately US\$2 million Community Funding Facility will be made available to conservancies and other conservancies only through small sub-projects (usually <\$50,000 per sub-project for small-scale enterprises; Community eco-lodges will also be treated as sub-projects but with closer MET oversight) against established criteria.
- o larger activities that involve opportunistic site-specific investments (e.g. translocation or strengthening of local wildlife management capacity) will be coordinated by the relevant MET directorates, with specific tasks being delegated to local partners in the NGO and private sector community to avoid capacity bottlenecks.
- o M&E controls within the project are in-built at two levels: (a) local conservancies and other conservancies; and, (b) centralized activities to strengthen MET capacity. A knowledge management system that helps identify and improve learning opportunities is an integral part of this system.
- o MET will have available to it throughout the project the expertise on a technical and scientific advisory roster (TSAR) to use as and when needed to assist in risk mitigation.

| Risk | Risk Rating | Risk Mitigation Measure |
|--|---------------------|--|
| From Outputs to Objective Output 1: Inadequate local community commitment to specific ecosystem-based income-generating activities. Output 2: Long-term beneficial impact from IEM may not be evident within project timeframe, thus hindering potential for subsequent replication. Output 3: Insufficient integration of CBNRM into other ministerial policies (see FN). | N S M | Communities will have access to planning resources and will be required to provide self-contributions in-kind. Access to TAs for multiple sites, which will in turn be screened to identify most appropriate investments. Ensure MET's active engagement in all inter-ministerial consultation that may effect the National CBNRM Program. This will be formalized through the establishment of a CBNRM Consultative Group including sectoral ministries, NGOs, donors and private sector. |
| From Components to Outputs 1. Failure of subprojects to generate meaningful income to local communities. | M | 1. Adaptive management and knowledge management approach permits changes in subproject selection criteria to promote successful models through a replication plan to |

| | | |
|---|---|---|
| 2. Lack of local experience for some of the innovative pilot activities and investments | M | be implemented starting at project mid-term. |
| 3. Insufficient integration of CBNRM into MET's sectoral directorates. | N | 2. Participatory approach to CBIEM planning, implementation and monitoring and evaluation will be strongly supported. |
| 4. Inability to find qualified national PO staff. | M | 3. Specific TA to MET to explore different options to mainstream CBNRM. |
| | | 4. Possibility to recruit regional. |
| Overall Risk Rating | M | |

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

FN. One of the risk factors for this project component 3 is external to this project but merits some elaboration. *Land tenure* reform is a progressive policy of Government but failures of such reforms to acknowledge CBNRM needs may lead to difficulties in project implementation. Such difficulties arise because of increased perceived risks by the private sector, less secure tenure for conservancy members or immediate neighbors, uncertain potential financial liabilities associated with large land positions, and general weak capacity in decentralized government structures.

Listed below are the **key fiduciary related risks** associated with the project, and possible mitigations.

| <i>Type of Risk</i> | <i>Risk Rating</i> | <i>Remarks and possible mitigation</i> |
|--|--------------------|---|
| Inherent Risk | | |
| 1. Funds may not be used in an efficient and economical way and exclusively for purposes intended. | M | A significant proportion of the implementation will be in the hands of established agencies with competences in the areas that they get selected for, but equally there will be communities, particularly on the CFF, that will not have the capacity to manage the funds efficiently. <i>Clearly documented monitoring procedures to be developed.</i> |
| 2. GRN may be unable to meet its funding obligations due to budgetary constraints | N | <i>Appropriate and practical arrangements have been made to capture VAT on project expenditures for re-use by project, in addition to a budget line created specifically for the project.</i> |
| Overall Inherent Risk | M | |
| Control Risk | | |
| a. Implementing Entity | S | Lack of experience of Bank financed projects. <i>Closer liaison with supervision team critical for project success.</i> |
| b. Funds Flow – ability to open and correctly operate all three proposed accounts | M | <i>Success dependant on abilities of accounting staff to make regular reimbursement requests that are correctly prepared.</i> |
| c. Staffing – finding the ‘right’ staff | S | <i>Success dependent on qualifications and experience of staff to be hired.</i> |
| d. Accounting Policies and Procedures | S | <i>Dependant on the Financial and Administrative Manual to be prepared.</i> |
| e. Reporting and Monitoring | S | <i>Will depend on ‘robust-ness’ of system to be installed</i> |
| | | |

| | | |
|-----------------------------|----------|--|
| Overall Control Risk | S | |
|-----------------------------|----------|--|

H = High

S = Substantial

M = Moderate

N = Low/negligible

3. Possible Controversial Aspects:

Due to the Project design and its anticipated positive impacts it is unlikely to generate significant controversy. However, the following issues have been identified with local stakeholders:

1. Local governance: The project's primary focus are conservancies. While these conservancies are themselves democratic organizations, not all of the broader community is represented by the registered membership of these conservancies; it is not unusual for the non-registered community members to outnumber the registered members. This situation may lead to localized disputes even though the project does cater for participatory approaches that are intended to minimize potential for such conflicts.

2. Linkages between income-generating activities and sustainable management: At the local level, conservancies will be trying to fulfill two different but ecosystem based objectives, environmental and socioeconomic ones. The project design aims to use income-generating activities as a trigger for conservation and sustainable management of the ecosystem through in-built linkages between business plans, feasibility studies for individual sub-projects and conservancy management plans. The M&E system will track these linkages very carefully.

G. Main Conditions

1. Effectiveness Condition

1. The Recipient has adopted a Project m&e manual acceptable to the Bank.
2. The Recipient has adopted a Project Implementation Manual acceptable to the Bank.
3. The Recipient has opened a USD Special Account, N\$ Project account and deposited four months of applicable counterpart funding.
4. Project office staff has been contracted by the Recipient as per terms of reference, project office staff is in place, and qualifications and experience are satisfactory to the Bank.
5. The Recipient has established a functional financial management system satisfactory to the Bank including account codes in place, prototype financial management reports and a procurement plan in form and substance satisfactory to the Bank.

Most of these conditions are expected to be met prior effectiveness.

Effectiveness plus six months:

1. Procurement training completed.
2. Project MIS system running.
3. Project auditors are appointed according to criteria of the Bank.

2. Other [classify according to covenant types used in the Legal Agreements.]

Negotiation conditions:

1. Counterpart funding for the first three years of implementation allocated in Government annual budget conditional on parliamentary approval.
2. Draft Project Implementation Manual (PIM) including first year work program; draft

administrative and financial management procedures and draft CFF manual available and satisfactory to the Bank.

3. Project sites for year 1 identified. Additional project sites will be identified at the time of preparation of subsequent the annual work plans and discussed with the World Bank task team.
4. Agreement on format for Financial Monitoring Reports (FMRs).
5. Preparation of Draft Terms of Reference for appointment of Auditors.

H. Readiness for Implementation

- ☐ 1. a) The engineering design documents for the first year's activities are complete and ready for the start of project implementation.
- ☒ 1. b) Not applicable.
- ☒ 2. The procurement documents for the first year's activities are complete and ready for the start of project implementation.
- ☒ 3. The Project Implementation Plan has been appraised and found to be realistic and of satisfactory quality.
- ☐ 4. The following items are lacking and are discussed under loan conditions (Section G):

I. Compliance with Bank Policies

- ☒ 1. This project complies with all applicable Bank policies.
- ☐ 2. The following exceptions to Bank policies are recommended for approval. The project complies with all other applicable Bank policies.

Christophe Crepin
Team Leader

Richard G. Scobey
Sector Manager/Director

Fayez S. Omar
Country Manager/Director

Annex 1: Project Design Summary

NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

| Hierarchy of Objectives | Key Performance Indicators | Data Collection Strategy | Critical Assumptions |
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| Sector-related CAS Goal: To contribute to national sustainable development through the promotion of the sustainable use of renewable natural resources, the promotion of sustainable rural and urban livelihoods, and the maintenance of essential ecological processes, biodiversity and ecosystems. <i>(National Development Plan (NDP II))</i> | Sector Indicators: Effective institutions such as the Sustainable Development Commission are appointed and are operating effectively, to promote integrated and coordinated approaches to Sustainable Development (NDP II) Policy and legislative framework for environmental management and sustainable use of natural resources is in place (NDP II) Measures to improve the sustainable use of natural resources are adopted by resource users (local resource management plans, diversification of livelihood opportunities) (NDP II) | Sector/ country reports: NDP II reporting NDP II reporting Participatory poverty assessments, poverty monitoring reports and livelihood surveys (NPC) | (from Goal to Bank Mission) Country overall economic and political stability |
| GEF Operational Program: OP 12 Integrated Ecosystem Management | Outcome / Impact Indicators: Increased local and global benefits in particular related to improved biodiversity conservation and reduced land degradation on communal lands. | State of Environment Report Report from National CBNRM Program | Political and community-based support at all levels to move from CBWM to CBIEM |
| Project Development Objective: The project development objective is "Community-based integrated ecosystem management practices are supported by the National CBNRM framework and used by targeted conservancies." | Outcome/Impact Indicators: Around 25,000 km ² of communal land under integrated sustainable ecosystem management as defined by the National CBNRM Program. 80 % of targeted conservancies committees are effectively managing and deploying efficiently and sustainably their natural, human, financial and | Project reports: Project's M&E system report Annual external audit of project's m&e system | (from Objective to Goal) Gaps in current policy, legal and financial CBNRM framework will be covered through reform process led by MET. |

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| | <p>other resources according to the objectives of their conservancy plans.</p> <p>MET as CBNRM lead agency established effective partnerships with other agencies and institutions, including local governments, NGOs and private sector to enable achievements of objective in an efficient and effective manner.</p> | | |
| <p>Global Objective:</p> <p>The project global objective is "to restore, secure and enhance key ecosystem processes in targeted conservancies with biodiversity and land conservation and sustainable use as a goal."</p> | <p>Outcome / Impact Indicators:</p> <ul style="list-style-type: none"> % of change of status of threatened species in targeted conservancies. % of change of habitat cover in key sites of targeted conservancies. % of change in land degradation intensity in targeted conservancies. | <p>Project reports:</p> <p>Project's m&e system report.</p> <p>Project's supervision reports (PSR)</p> | <p>(from Objective to Goal)</p> <p>Political and community-based support at all levels to move from CBWM to CBIEM.</p> |
| <p>Output from each Component:</p> <p>Component 1. Improved and better organized sustainable use of biodiversity and natural resources in targeted conservancies leading to an increase in income-generating activities.</p> <p>Component 2: Improved capacity for ecosystem planning, management & monitoring in targeted conservancies.</p> | <p>Output Indicators:</p> <ul style="list-style-type: none"> 90 % of Community Funding Facility resources are used according CFF manual criteria. Equitable distribution of benefits based on formalized mechanism among 80 % of targeted communal conservancies. 15 to 20 conservancies have built sufficient capacity to plan, develop and implement ecosystem based income generating activities with decreasing external support. 12 [6 detailed and 6 basic] out of 15 supported community-based integrated management plans (CBIEM) are in place. | <p>Project reports:</p> <p>PSR</p> <p>Client survey</p> <p>Annual project reports</p> <p>Annual CSD report</p> | <p>(from Outputs to Objective)</p> <p>Adequate local community commitment to specific ecosystem-based income-generating activities.</p> <p>Long-term beneficial impact from CBIEM can be made visible within limited project timeframe and thus enabling subsequent</p> |

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| | <p>Baseline data and TA expertise required to prepare, implement and monitor CBIEM plans is provided by MET and other stakeholders to the ICEMA target sites.</p> <p>90 % of targeted conservancies under this component are implementing ecosystem management activities across identified thematic areas.</p> <p>80 % of targeted conservancies developed skills to design, up-date and implement local level monitoring and reporting.</p> | <p>MET's DSS remote sensing data material</p> <p>Reports of project supported community meetings, education and information events</p> <p>Project Supervision Reports</p> <p>Project's local m&e data reports</p> | <p>replication.</p> |
| <p>Component 3: A supportive policy, organization & financial framework for CBIEM in Namibia.</p> | <p>Parks and Wildlife Management Bill enacted.</p> <p>Revision and approval of revised Environment Investment Fund including availability of operational manual.</p> <p>Access to Biological Resources and Associated Traditional Knowledge Bill enacted.</p> <p>Environment Management Bill enacted.</p> <p>12 targeted conservancies committees have been institutional strengthened.</p> <p>MET's CBNRM knowledge management and replication strategy are under implementation.</p> <p>MET's CBNRM m&e system is functional and links to other environmental information systems.</p> | <p>Annual MET reports</p> <p>Project Supervision Report</p> <p>CSD reports</p> <p>PSR</p> <p>WS and meeting minutes</p> | <p>Sufficient political support for integration of CBNRM into other ministerial policies.</p> |
| <p>Component 4: Strengthened capacity of Ministry of Environment and Tourism, other national stakeholders and PO staff to manage efficiently project related activities.</p> | <p>90 % of project activities identified in annual work plans have been satisfactorily completed.</p> | <p>Work plans and progress reports</p> <p>MTR report</p> <p>ICR</p> <p>Annual Audits</p> | |

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| | | <p>Project MIS aligned with accounting system and financial procedures.</p> <p>Bank's supervision reports</p> | |
| <p>Project Components / Sub-components:</p> <p>Component 1.</p> <p>Ecosystem-based Income-Generating Activities</p> <p><u>Sub-components/Activities:</u></p> <p><u>1.1 Community-Funding Facility</u> Small, medium and large size subproject investments</p> <p><u>1.2 Capacity Building and TA</u> <i>a) CFF Procedures</i> Community Funding Facility procedures and conservancy kit</p> <p>TA to review and up-date CFF operating manual</p> <p>Dissemination of CFF information kit to conservancies</p> <p><i>b) Business planning for conservancies</i> Basic and detailed strategic business plans for conservancies including benefit schemes (10/10)</p> <p><i>c) Subproject facilitation</i> <u>Technical support</u> for sub-project development including a mechanism for benefit-sharing.</p> <p>Feasibility studies including cost-benefit assessments for subprojects as well as guidance based on marketing and management study results.</p> <p><u>Implementation support</u> through sub-project in-built TA for training and mentoring to strengthen capacity of local stakeholders</p> <p><u>Follow-up support</u> for sub-project management including</p> | <p>Inputs: (budget for each component)</p> <p>2.209</p> <p>1. 47</p> <p>0.159</p> <p>0.196</p> <p>0.386</p> | <p>Project reports:</p> <p>CFF applications and CFF annual review report.</p> <p>PSR</p> <p>CFF conservancy kit</p> <p>Reports</p> <p>10 basic and 10 detailed business plans</p> | <p>(from Components to Outputs)</p> <p>Subprojects capable to generate meaningful income to local communities.</p> |

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| management advice, knowledge management and replication. | | | |
| Component 2. Sustainable Ecosystem Management | 2.088 | | Sufficient potential to build and strengthen local experience for some of the innovative pilot activities and investments. |
| <u>Sub-components/Activities:</u> | | | |
| <i>2.1.CBIEM Planning</i> MET's core support for baseline assessment in targeted conservancies including aerial surveys and mapping (ecosystem status, threats and root causes) | 0.929 | 12 (6 detailed and 6 basic) CBIEM plans Site selection report | |
| Development of basic and detailed CBIEM plans (8/7) | | Activity reports | |
| Design of site specific activities including feasibility studies and cost-effectiveness assessments | | | |
| <i>2.2. CBIEM implementation</i> Investments for broadbased integrated ecosystem management for: | 0.816 | PSR Annual game counting reports | |
| <ul style="list-style-type: none"> ● Wildlife restoration (breeding camps for keystone species including water points, fencing, accommodation, equipment) ● Wildlife translocation (services and infrastructure investments) ● Other management activities (plant biodiversity management, land degradation restoration and rehabilitation) / introductory services and investments. | | GIS remote sensing data comparison CSD reports | |
| <i>2.3. CBIEM monitoring & evaluation</i> Participatory design of local m&e function including training (based on locally selected adaptive ecosystem management indicators) | 0.342 | | |
| Operational support to collect and up-date baseline information and to implement m&e system at local level | | Local level reporting (e.g. based on event book) PSR | |
| Component 3. Targeted | 1.155 | | Sufficient integration of CBNRM |

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| <p>Institutional Support</p> <p><u>Sub-components/Activities:</u></p> <p><i>3.1. Policy and Organizational Review and Development</i></p> <p><i>a) CBNRM policy dialogue</i> drafting and dissemination (in particular forestry, integrated wildlife, tourism and environmental impact assessment) WS Support for improved inter-sectoral CBNRM policy coordination with other ministries</p> <p><i>b) CBNRM policy research</i> (identifying and funding of targeted CBNRM research issues)</p> <p><i>c) CBNRM Organizational Review</i> Assisting MET to review its current National CBNRM strategy and institutional set-up. Develop and implement a targeted training plan for MET staff and formalize a CBNRM consultative forum.</p> <p><i>d) CBNRM financial sustainability</i> TA to develop sustainable financial framework / Supporting the mobilization of MET's Environment Investment Fund with GRN and other sources of funding. EIF / GPTF / CFF</p> <p><i>3.2. Direct Conservancy Operational Support</i> Equipment and operational support for conservancies (committees, office). Training and WS for conservancy management.</p> <p><i>3.3. Knowledge Management</i> a) Training and TA to MET staff to improve m&e activities and to adapt centralized m&e system to expanding needs of CBNRM Program.</p> <p>b) Design and implementation of a knowledge management</p> | 0.673 | <p>WS minutes</p> <p>Publication of CBNRM research issues</p> <p>Training plan and implementation progress report</p> <p>Activity report</p> <p>CSD report</p> <p>Conservancy annual report</p> | into MET's sectoral directorates. |
| <p><i>3.2. Direct Conservancy Operational Support</i> Equipment and operational support for conservancies (committees, office). Training and WS for conservancy management.</p> | 0.304 | Conservancy annual report | |
| <p><i>3.3. Knowledge Management</i> a) Training and TA to MET staff to improve m&e activities and to adapt centralized m&e system to expanding needs of CBNRM Program.</p> <p>b) Design and implementation of a knowledge management</p> | 0.178 | <p>PSR</p> <p>Training progress report</p> <p>Activity reports including implementation report on KM</p> | |

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| <p>program (including communication, replication) for conservancies, central government and other stakeholders based on all National CBNRM Program and ICEMA project activities supported but in particular with decentralized M&E activities under component 2.</p> | | | |
| <p>Component 4. Project Management Support</p> <p><u>Sub-components/Activities:</u></p> <p><i>a) Project Office and Management</i> PO Staff PO Operations PO Staff Training MET/ICEMA Steering Committee meetings</p> <p><i>b) Review and Reporting</i> Annual review and reporting including external audits and safeguard reporting; Mid-term review Final review (ICR)</p> | 1.690 | <p>Annual report.</p> <p>Annual workplans and project reports</p> <p>Bank's Supervision Reports</p> <p>Annual Audits</p> <p>WS reports</p> <p>Annual reports</p> | <p>Ability to find qualified national or regional PO staff.</p> |

Annex 2: Detailed Project Description

NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

Background:

The project is providing incremental and targeted support to the National CBNRM program. The Namibia's National CBNRM Program is a joint venture between Government and non-government institutions, communities, community-based organizations (CBOs) and development partners. (FN. CBOs are defined here as local level institutions for registered communal conservancies (such as the conservancy committee) and potentially for, if and when they are established at some future date, registered community forests). The program aims to provide incentives to communities to manage and use wildlife and other natural resources in sustainable and productive ways. It does this by promoting three closely related approaches: (i) ***natural resource management and conservation*** – it promotes wise and sustainable management of natural resources, and encourages biodiversity conservation by creating the necessary conditions for sustainable use; (ii) ***rural development*** – it seeks to devolve rights and responsibilities over wildlife and tourism to rural communities, thereby creating opportunities for enterprise development and income generation; and (iii) ***empowerment and capacity-building*** – it encourages and assists communities and their local institutions to develop the skills and experience to sustainably develop and pro-actively pilot their own futures. The initial objective of the program was *"to promote pilot activities demonstrating that sustainably managed natural resources can result in social development and economic growth, and in suitable partnership between local communities and government"*.

This program has its roots in conservation and development efforts back to the early 1980's when the effects of serious drought, heavy poaching, war and tenure systems that dissociated rural people and the wildlife they lived with, led to the depletion of wildlife populations on the state-owned, communal lands. First efforts towards addressing this situation were initiated by visionary local traditional leaders, officials of the then Department of Wildlife and local NGOs in North-West Namibia (the more wildlife rich areas of Kunene (NW) and Caprivi (NE). Following independence in 1990, the movement gained political support and further momentum. After the establishment of the policy framework for conservancies, the donor- and government funded CBNRM program began to spread slowly to other areas in Namibia. Early devolution of custodial rights to commercial farmers on private land was dramatically successful in enhancing investment in wildlife stocks.

The policy and legal framework grants rights over wildlife and tourism management and uses to communities on their lands once they are organized as communal “conservancies”. (FN. A freehold conservancy consists in aggregating two or more adjacent private properties in a single wildlife management unit without abandoning individual ownership of the land. They are managed and operated by members through a committee. In most cases, internal fences are removed while the perimeter fence is reinforced, and the classic livestock industry is replaced by wildlife-related activities. Freehold conservancies have to be registered with the MET. There are currently about 22 freehold conservancies established. In addition, privately owned nature reserves can play a significant role in biodiversity protection in Namibia. Some are extremely rich in endemic species, unique landscape features or both. All of these are registered with the Ministry of Environment and Tourism.)

Conservancies are multiple-use zones with legal status, registered with the authorities, where residents continue farming but collectively manage wildlife in order to benefit both from better natural resource management practice, and from capturing tourism revenues. A communal

conservancy consists in setting aside part or all of the land of a given community with the intention to conserve and valorise wildlife through its sustainable consumptive and non-consumptive uses within nature-related activities. Registered conservancies will be given ownership over huntable game and game birds, being bushpig, buffalo, oryx, kudu, springbok and warthog. Applications can be made for permits to use protected and specially protected game. A conservancy which also registers as a hunting farm will be able to allow trophy hunting on its land.

The committees that run conservancies aim to be multifunctional, serving as management structures for natural resources utilization and benefit distribution. The requirements for registering a conservancy are based on a formal application to the Minister of Environment and Tourism including:

- a. a list of names of the people who are members of the conservancy committee;
- b. a properly drawn-up constitution of the committee which outlines the goals and objectives of the conservancy;
- c. a statement setting out the boundaries of the conservancy;
- d. other documents or information as required by the Minister.

For the conservancy to be accepted, the Minister must be satisfied that:

- a. the committee represents the community living in the area;
- b. the constitution provides for sustainable management and use of game in the area;
- c. the committee is able to manage funds and has a method for equitable distribution to the community;
- d. the geographic area has been discussed with others in the area, such as neighbours and the Regional Council;
- e. the area is not part of a proclaimed game park.

Once the MET is satisfied that all requirements have been met, it will register the conservancy and declare it in the Government Gazette.

Although the community will have the responsibility and rights over wildlife in the conservancy, the MET has the legal responsibility for the nation's wildlife and must ensure that it is managed and used sustainably. The MET will, as far as possible, provide some logistical help in certain tasks, including advising on the drafting of a constitution or agreements with the private sector. Non-governmental organizations operating in an area can also be asked for assistance. In addition to the constitution, conservancies should have a set of rules which spell out how the conservancy will operate. If there were no such rules, anyone could go into the conservancy and do whatever they liked. This would interfere with the aims of the conservancy. Conservancies can ask the MET to advise on developing its rules and wildlife management plan. Not everyone in a communal area will belong to a conservancy.

The establishment of conservancies is seen as a fundamental step in improving management capacity and linking it to benefits for communities in communal areas, promoting sustainable environmental management and rural development. Namibia is leading this kind of enterprise even though other neighboring countries have embarked in similar ventures (e.g. Zambia, Botswana). Conservancies are aimed ultimately at ensuring common property management of all wild natural

resources, but the initial focus has been on wildlife. This is because communities could not use wildlife before, and because wildlife-based tourism can generate substantially cash income to communities. Since communities lack the skills and capital to develop tourism, they generally have to do this by entering at the conservancy level into joint ventures with the private sector. In the longer term it is envisaged that conservancies will enable common property management of wood, grass, reeds, fish, range-land etc. resulting in enhanced output and rents. The conservancies involve new, group-initiated tourism land uses, superimposed on the traditional ones of livestock keeping, subsistence crop production (NE) and wild plant resources harvesting. The changes associated with the CBNRM program are expected to impact differently on households deepening on factors like income levels, livestock wealth, tourism income, wild resource income, cash income, conservancy involvement, degree of common property management, employment, education.

The community living within the area of a registered communal conservancy does not own the land or have clear ownership rights to the natural resources. All land in communal areas remains the property of the State, and the communities only receive conditional use rights to specified resources. Although the legislation provides for the recognition of the boundaries of a Conservancy, it does not confer any special status on the land within a Conservancy as some form of protected area, or as an area with locally defined controls on land use.

As conservancies are not the only resource management entities in a given key ecosystem and consistent with the integrated approach to natural resources and ecosystem management, ICEMA will support the inclusion of (future) community forests and woodlands on communal lands. Support is expected to be given to promote sustainable use and management of forest ecosystems in association with other key resources such as wildlife and tourism. Selections of locations for investment and activities on the ground will respond to this strategic objectives. MET has initiated a community forestry programme to manage woodlands on communal land implementing the Forest Strategic Plan of 1996 and the Forest Policy of 2001. It seeks to involve local communities in the management and conservation of forest resources. The Forest Act of 2001 provides the legal basis for the community forest programme and provides for the granting of ownership and tenure of forest resources to communities. The process of declaration of a community forest involves the devolution of responsibilities of managing forests and woodlands to the communities. The Directorate of Forestry only plays an advisory role to the Communities are assisted in formulating management plans for the forests, building of community centers, electing honorary foresters who control the use of forest resources and collecting royalties from the use of forest resources by outsiders. All these activities are aimed ensuring that the communities are empowered to manage their woodlands on a sustainable basis. In owning and managing the resources, the communities will be more aware of the need to protect and conserve the biodiversity for the long-term economic and other benefits.

In conclusion, CBNRM in Namibia represents a development strategy in its own right: a means to achieve conservation and improved integrated resource management, providing benefits and incentives for local community participation. Namibia's CBNRM initiatives respond thereby to national development and environmental priorities by:

- i) supporting sustainable use and conservation of Namibia's unique ecosystems and related

biodiversity (the majority of biodiversity is found outside the National Park network);

- ii) promoting appropriate land management schemes in an environment where availability of water and suitable rangeland as well as land degradation are the key limiting factors to sustainable management of scarce resources;
- iii) contributing to reduce poverty in rural areas by providing diversified livelihood strategies through responsibility over local resources, thereby addressing the root causes of threats to unsustainable ecosystem management; and
- iv) promoting participatory, accountable and democratic systems of local and regional governance.

Criteria for project intervention areas (see also annex 16)

The project will use GEF's catalytic role to support selected registered conservancies:

- o with global environmentally important assets;
- o with strong community-driven demand and ownership for the move from a community-based wildlife management (present) to an IEM (long-term) approach thereby broadening the options for sustainable use of natural resources;
- o with strong perspective for sustainability (socioeconomic, financial and institutional);
- o where GEF catalytic role leads to additional leverage of resources addressing root causes and other local development needs (partnering with other projects and programs adding value to the National CBNRM Program) and where insufficient funds are available but financial viability is expected over time;
- o where contributing to the development of best practices ; and
- o where scaling-up and replication is facilitated within the National CBNRM Program.

A process of categorization of conservancies in order to enable effective and cost-efficient support interventions to each type of conservancy (fast track, medium track and slow track conservancies measuring progress towards financial viability) has already been carried out during preparation through a tool called "Conservancy Development Guide (CDG)". The CDG, a planning and self-assessment tool, developed and tested in a few emerging conservancies during project preparation, is expected to be one of the entry points for measuring project impacts relating to sustainability. The MET and its partners, including conservancies, are in the process of further reviewing and refining this tool and the project will support this process under component 2 and 3. The tool is potentially meant to be used in and by each target conservancy, and subsequent monitoring at local and central level during the course of the project will provide an ongoing basis for judging progress towards sustainability. Key aspects of the impact measurement of the CDG tool and subsequent M&E include aspects of ecological, social, economic and institutional sustainability. The project preparation process led to an initial identification of special characteristics of conservancies presented in so-called conservancy profiles. Based on these assessments and the criteria identified and agreed during multiple consultations above, priority for the first year has been given to 10 conservancies (see annex 16).

At present (2003), the three regions include a total of 29 registered conservancies, with 38 000 registered members but approximately a total of up to 100 0000 rural population and covering an area of 74 000 km². In addition, the regions also includes an approximative 35 prospective emerging conservancies. (the map and table in annex 16 shows the location of the communal

conservancies in Namibia, as well as of the initial 10 target sites of this project (30 000 km²).

Project objectives and design:

The **project development objective** is "Community-based integrated ecosystem management practices are supported by the National CBNRM framework and used by targeted conservancies".

The **project global objective** is "to restore, secure and enhance key ecosystem processes in targeted conservancies with biodiversity and land conservation and sustainable use as a goal."

Project components:

The project has 4 inter-related components that together serve to meet the project development and global objectives. Replicability and scalability have been identified as key criteria for sub-components and activities. Component 1 and 2 are supporting local investments and activities and are therefore site-specific. ICEMA priority areas have been identified based on MET's strategic criteria (see annex 16 for site description and maps).

By Component:

Project Component 1: Ecosystem-based Income-Generating Activities - US\$2.49 million

Description: This component is concerned with sustainable use of natural resources and ecosystem services through provision of funds to communities for barrier removal to ecosystem-based income-generating activities that provide equitable benefits to conservancies members.

The barriers at local level have been identified as lack of grant funding accessible to poor emerging conservancies, lack of capacity, of knowledge, and of technical and financial support. Broader conducive incentive and policy framework will be addressed under component 3. The component will aim to target 15 to 20 registered conservancies who have or are in the process of having a management plan (demand driven approach).

Overall objective: This component aims to foster ecosystem-based income-generating activities to community members from the sustainable use of their rich and diverse ecosystems.

Specific objectives: This component will support the demonstration, development, implementation and monitoring of conservancy business frameworks and investments as part of their overall conservancy management plans. It specifically aims to

- (i) provide resources for direct financing of demand-driven ecosystem-based income-generating activities,
- (ii) increase the viability of activities through tailored business planning, feasibility support, training and mentoring;
- (iii) promote mechanisms for equitable sharing of costs and benefits;
- (iv) develop and disseminate best practices for replication and up-scaling through monitoring and evaluation processes; and
- (v) contribute to improved participation in development planning processes at local and regional

level.

The two closely inter-related *sub-components* are the :

a) Community-Funding Facility (CFF):

The sub-component focuses on the *delivery of small, medium and large size sub-projects* to eligible (see selection criteria in annex 19) registered conservancies (and potentially, if and when they are established at some future date, registered community-forests). CFF funded activities will target a diversity of aspects related to wildlife, eco-tourism, forestry, and multi-sector with emphasis on community ownership. Example activities include the development of income generating activities related to game products (tannery, game meat production, trophy hunting), forestry products (e.g. commercialization of NTFP and agro-forestry activities such as Marula, Quiver Tree and the Devil's Claw), value-added processing (craft), and eco-tourism activities such as community-campsites, community-eco-lodges, eco-tourist guides (see annex 19 for more details on the CFF). Overall, all of them will have to demonstrate a long term positive impact on the management of the ecosystem and the resource base. They will also respond to a specific positive and negative list of criteria. The CFF will operate as a simple flow-through fund that permits direct support to the small-, medium- and large-scale conservancy investments identified in eligible registered conservancies on communal lands.

Close to project closure, a further review of the Community Funding Facility operations will be undertaken under component 3 to determine appropriate capitalization methods and financing opportunities for longer-term operation of the Fund.

b) Capacity- Building and Technical Assistance:

This sub-component focuses on supporting the CFF through the following three activities:

(i) disseminating information to eligible communities, with a view to *informing them of the CFF* and providing guidance on accessing the CFF.

(ii) technical support *at the conservancy level* for *strategic business planning* as part of the conservancy ecosystem management planning process, including a mechanism for benefit sharing at the conservancy level.

At present, only a few conservancies possess a conservancy management and an associated business plan. As part of the project's support to the development of integrated community-based ecosystem management (CBIEM) plans (under component 2), this sub-component will assist with capacity-building for the strategic business planning covering all potential ecosystem-based entrepreneurial activities in a given conservancy. One issue under the first phase of the CBNRM Program was the lack of viable benefit sharing schemes for conservancy members although as part of the mandatory requirements for conservancy registration, conservancies are required to present general procedures for equitable benefit distribution. However, most conservancies do not yet possess benefit sharing plans or mechanisms and therefore revenue distribution may sometimes hindered. The sub-component will provide TA to assess various approaches to develop generic guidelines for developing, agreeing and adapting benefit schemes for conservancies. In conservancies with San population, a particular attention will be paid to ensure that San people are included in the development and implementation of benefit distribution plans.

(iii) *facilitation support* for sub-project development which will include:

o technical support for subproject development. For this purpose, funding is also made available to non-conservancy entities (NGOs, private sector, individual consultants, etc.) in such a support role. The MET/PO might also provide support through its network of CBNRM officers or through relevant technical directorates, e.g. for certification of conservancy business frameworks and sub-projects. Feasibility studies will identify and assess costs and benefits for new income-generating opportunities as well as to provide guidance based on marketing and management study results.

o implementation support for subprojects consist of subproject in-built technical assistance (TA) for training and mentoring to further strengthen capacity of local stakeholders, and to ensure desired quality and standards of subprojects;

o follow-up support for subproject management including management support and advice, knowledge management and replication activities at local and national level. Lessons learned have shown the importance of backstopping for income-generating activities at local level depending on the scope and nature of the investment. It will monitor as well the impact on the improvement in the management and conservation of the ecosystems.

Component 1 beneficiaries: The primary beneficiaries of this component are the conservancies in target registered conservancies.

Project Component 2: Sustainable Ecosystem Management - US\$1.97 million

Description: This component is concerned with restoring, securing and enhancing the biodiversity and ecosystem processes that support sustainable benefits to local communities on communal lands. The component will adapt its support according to national conservation priorities and the needs and current status of targeted conservancies. Some conservancies will only require basic support for the community based integrated ecosystem management planning and prioritization of activities, for developing methodological approaches for pilot activities, for designing an appropriate knowledge management and replication strategy and action plan. Whereas other conservancies, where there is a need and which have more capacity to plan and implement their plan, will benefit from an enhanced and more detailed approach. The project will aim to target 15 registered conservancies (5 for detailed planning, 10 for lighter support) and will cover key representative ecosystems in the country. The project activities under component 1 and 2 are expected to be interlinked, but investments through the CFF will be possible in conservancies which already have a management plan (or in the process of having one) not funded by this project.

Overall objective: The component aims to improve local and national level capacity for integrated ecosystem planning, management & monitoring in targeted conservancies.

Specific objective: The component provides funds and technical support to:

- (i) establish approaches for CBIEM planning including inventory and baseline assessment as needed in targeted sites;
- (ii) restore, maintain and enhance ecosystem services as part of the implementation of the management plans as needed in targeted sites;
- (iii) develop capacity for local monitoring and evaluation functions related to ecosystem management (including replication) as needed in targeted sites.

The three inter-related *sub-components* are the :

(a) CBIEM Planning:

The sub-component will support the development of integrated conservancy management plans in targeted registered conservancies that will guide resource based management activities. These plans will focus on all-encompassing land-uses and activity options within a specified area and link to the conservancy business framework (supported under component 1) to ensure that maximum benefits are captured.

Importantly, at the level of a cluster of neighboring conservancies (e.g. in the North-West), broader innovative landscape approaches will be considered through improved coordination among conservancies planning and investment processes and between conservancies and National Parks, in line with the recommendations of the NBSAP.

Assistance support will be provided for:

(i) Planning: Targeted conservancies will be assisted with up-grading their existing thematic wildlife utilization plans into CBIEM plans or with drafting new CBIEM plans. A CBIEM plan should contain multi-sectoral information including the ecosystem status (e.g. vegetal and animal habitat quality and status, livestock and game carrying capacity, wildlife corridors), potential and planned resource uses, and existing and planned infrastructure developments (e.g water points, accommodation, roads, fencing, tourism enterprises). Targeted training of conservancies to improve the local level planning process with involvement of MET, conservancies and NGOs will include the organization of participatory stakeholder workshops and meetings. If project target sites include San populations, their participation in the planning process will be enabled through culturally appropriate means.

Depending on the level of existing land-use planning information (e.g. zonation, inventory, mapping) and on the indication of key biodiversity issues (e.g. existence of red list species within a given conservancy) as well as on the results of a rapid survey of economically valuable species of plants and wildlife resources, the need for a detailed baseline assessment of the ecosystem status, its threats and roots causes will be defined. Support will be provided to develop special expertise for planning and implementing ecosystem inventories as well as baseline assessments carried out under the leadership of MET's Directorate of Scientific Services. Aerial surveys as well as remote sensing GIS satellite resources will be used to cover the areas of target sites. The sub-component will provide TA for training and equipment to increase MET's capacity to conduct these aerial surveys and undertake GIS analysis. Some work will also be outsourced under this activity. All baseline information collected will be stored in MET's new central CBNRM database (supported under component 3).

(ii) Design: At present, limited experiences exist with the broad range of thematic options for sustainable management of ecosystems such as wildlife and plant restoration, wildlife relocation, and sustainable land management. Therefore, the sub-component will assist with the designing of replicable approaches for specific priority activities based on feasibility studies including cost-effectiveness assessment (e.g. for translocation schemes, commercialization of game and wild plants and infrastructure needs); scientific and technical reviews, on guidelines for criteria development for site selection for prioritized implementation activities; and on generic guidelines for addressing safeguard policies. The lessons learned will feed back into the local and central level m&e system as well as in the knowledge management and replication strategy and action plan.

(b) CBIEM Implementation:

This sub-component focus on the implementation of key prioritized activities for ecosystem restoration, maintenance and recovery as outlined in the CBIEM plan. Supported activities will be site-specific.

Contribution to ecosystem restoration includes, for example, the restocking of conservancies with wildlife (including rare, and high value species) with the aim of improving the conservation status of such rare species, while also providing benefits to communities from these high-value species. Other examples are: (i) game capture and translocation of common as well as of more valuable species; (ii) direct conservation of threatened species such as the black rhino through provision of adequate scientific and technical support; (iii) breeding camps for high value added, keystone species (such as black-faced impala, roan antelope, sable antelope); (iv) restoration and sustainable management of the biomass (wild plant cultivation and nurseries of key species such as Marula, Quiver Trees); (v) improvement of occurring land degradation through sustainable land management actions including erosion control measures and improved grazing techniques.

The sub-component provides further technical assistance for supervision during implementation including further meetings and workshops with all stakeholders, including San populations if living in project target sites, involved to assess and review the design of the management plans as necessary.

(c) CBIEM Monitoring and Evaluation:

This sub-component focus on

- (a) designing an adaptive and comprehensive CBIEM m&e methodology (socioeconomic and environmental) for local level users and uses;
- (b) implementing m&e through support for data collection (tracker; aerial surveys, GIS);
- (c) providing training for central and local level stakeholders on m&e development and use.

At local level, the sub-component deals with the establishment of a simple or detailed (as needed) mechanism to monitor the impact of the activities supported under component 1 and 2 (socioeconomic and environmental interventions). As conservancies are areas of production, drawing on a diverse set of resources in ways that will return optimal sustained benefits within productive ecosystems, monitoring must be specifically relevant to conservancies objectives. Therefore, the conservancy members will be trained to select adaptive ecosystem management indicators, to collect, analyze and up-date their own baseline information on a regular basis and to develop and use a simple local m&e function. The piloting of the so-called "Conservancy Development Guide", developed during project preparation, has provided lessons for refining this and other participatory self-assessment tools. In addition, few conservancies have been sensitized to the needs and benefits related to m&e. They employ trained community members as "community game guards" or "environmental shepherds" which use currently a simple m&e methodology based on an "event-book". The sub-component will provide technical support to review and adapt these local monitoring practices and tools as needed. In addition, support for conservancies with San community members will be provided to implement the IPDP monitoring activities.

Component 2 beneficiaries: The primary beneficiaries of this component are the conservancies in target conservancies and the MET Directorates that are involved in planning and implementation of the specific interventions that support the CBIEM plans.

Project Component 3: Targeted Institutional Support - US\$ 1.10 million

Description/Overall objective: The component aims to improve the MET's strategic planning, implementation, monitoring and replication capacity to promote, develop and implement the National CBNRM Program and policies in Namibia over the longer term. It will also provide institutional and operational support to selected conservancies.

Specific objectives: The component is focusing on

- (i) strengthening MET's organizational framework for CBNRM;
- (ii) providing targeted training for MET's staff to support its leading role related to National CBNRM Program in place;
- (iii) reinforcing the MET to engage other sectoral ministries in the active support for CBNRM policies and the CBNRM Program implementation;
- (iv) facilitating the establishment of a sustainable financing framework for CBNRM;
- (v) providing direct institutional (training) and operational support (small equipment) to targeted conservancies; and,
- (vi) developing and implementing a CBNRM knowledge management and communication strategy and action plan.

The three *sub-components* are:

(a) Policy and Organizational Review and Development:

This sub-component includes the following closely interlinked issues:

- (i) *CBNRM policy dialogue* (reviewing and enabling the priority legal framework; workshop support for improved inter-sectoral CBNRM policy coordination with other ministries);
- (ii) *CBNRM policy research* (identifying and funding of targeted CBNRM research issues to be undertaken or guided by a technical and scientific roster of experts);
- (iii) *CBNRM organizational review* (assisting MET to review its current National CBNRM strategy and institutional set-up with the aim to identify and implement a targeted training plan for MET's centralized and decentralized staff; further providing support to MET to formalize a CBNRM consultative forum to discuss policies issues, progress within the National CBNRM Program and associated activities and to share experiences);
- (iv) *CBNRM financial sustainability* (supporting the development of a sustainable financial framework including options to integrate the protocols used under the CFF under the Environment Investment Fund (EIF), assessments of the further use of the Game Product Trust Fund (GPTF), mainstreaming further funding for CBNRM into Government's budget, and development of a CBNRM cost-reduction strategy).

(b) Direct conservancy operational support (providing financial support for equipment and running costs as well as limited training and workshop budget for conservancy management needs).

(c) Knowledge Management:

The sub-component provides institutional support for

(i) Training and technical assistance to MET staff to improve relatively limited and insufficiently connected CBNRM monitoring and evaluation activities and to further develop, adapt and harmonize its central scientific m&e elements including GIS data to the expanding needs of the CBNRM Program.

(ii) Designing and implementing of a CBNRM knowledge management program (including a multimedia communication strategy and action plan outlining the communication tools, recipients and timeframe of actions; a CBNRM replication plan) for conservancies, central government and other stakeholders based on all National CBNRM Program and ICEMA project activities and achievements and lessons learned.

Component 3 beneficiaries: The primary beneficiary of this component is MET through its lead Directorates. Other GRN Ministries (especially MAWRD, MLRR, MLRGH) will also be beneficiaries to the extent that they are engaged by MET during the planning processes through workshops and training.

Project Component 4: Project Management Support - US\$1.54 million

Description/overall objective: The component aims to provide MET with the additional increased operational ability to manage and supervise ICEMA activities. The Project Office will be located in MET and attached to the office of the Permanent Secretary.

Specific objective: The components focus on delivering the necessary support (technical, financial and coordination) for the project stakeholders, in particular the Ministry of Environment and Tourism, to achieve the project's respective objectives and deliverables. French ICEMA co-funding to this component will strengthen the Project Office expertise, implementation and delivery capacity by adding 4 (2 national and 2 international) technical experts (plant and wildlife specialists) to the PO staff.

The two sub-components are:

(i) Project Office and Management: The sub-component provides the necessary infrastructure and training for the Project Office staff (4,5 positions: a Project Office Coordinator, a Procurement Officer, an Accounting Officer, a part-time Monitoring and Evaluation specialist and an Administrative Assistant). The PO provides technical support for all day to day activities of project implementation. This includes coordination of all project planning (work plans, etc.), and execution of all procurement and financial management and project reporting. The PO will also coordinate project performance monitoring supported by the M&E Specialist. The M&E Specialist will be available to all MET directorates to assist in implementation of M&E activities as outlined in the project's m&e manual. A project management information system (MIS) will be developed and housed centrally within MET to provide the basis for performance monitoring as well as contributing to the monitoring activities of the National CBNRM program with a focus on the ICEMA project sites. The Project Office will be directly responsible also for accepting, reviewing, and awarding sub-project proposals under the CFF; and providing oversight of the sub-project funds awarded to individual conservancies.

(ii) Review and Reporting. Semi-annual report; full-annual report; annual external review and reporting (including external audit and safeguards reporting), Mid-term Review, and Final Review (ICR) according to the project implementation manual.

Component 4 beneficiaries: The primary beneficiary of this component is MET and its newly constituted Project Office.

Annex 3: Estimated Project Costs
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

| Project Cost By Component | Local US \$million | Foreign US \$million | Total US \$million |
|---|-------------------------------|---------------------------------|-------------------------------|
| I. Ecosystem-Based Income Generating Activities | 0.79 | 1.65 | 2.44 |
| II. Sustainable Ecosystem Management | 1.67 | 0.45 | 2.12 |
| III. Targeted Institutional Support | 1.11 | 0.05 | 1.16 |
| IV. Project Management Support | 1.51 | 0.24 | 1.75 |
| National CBNRM Program | 3.64 | 0.00 | 3.64 |
| Total Baseline Cost | 8.72 | 2.39 | 11.11 |
| Physical Contingencies | 0.44 | 0.05 | 0.49 |
| Price Contingencies | 1.81 | 0.03 | 1.84 |
| Total Project Costs¹ | 10.97 | 2.47 | 13.44 |
| Total Financing Required | 10.97 | 2.47 | 13.44 |

| Project Cost By Category | Local US \$million | Foreign US \$million | Total US \$million |
|--|-------------------------------|---------------------------------|-------------------------------|
| Goods | 0.21 | 0.20 | 0.41 |
| Works | 0.16 | 0.16 | 0.32 |
| Services | 2.13 | 0.16 | 2.29 |
| Training | 0.70 | 0.01 | 0.71 |
| Sub-projects | 0.00 | 1.65 | 1.65 |
| Vehicles | 0.00 | 0.20 | 0.20 |
| Operational costs | 5.53 | 0.02 | 5.55 |
| Physical Contingencies | 0.44 | 0.05 | 0.49 |
| Price Contingencies | 1.81 | 0.03 | 1.84 |
| Total Project Costs¹ | 10.98 | 2.48 | 13.46 |
| Total Financing Required | 10.98 | 2.48 | 13.46 |

¹ Identifiable taxes and duties are 0 (US\$m) and the total project cost, net of taxes, is 32.43 (US\$m). Therefore, the project cost sharing ratio is 21.89% of total project cost net of taxes.

Annex 4: Incremental Cost Analysis

NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

Context and Broad Development Goals

1. Context. Namibia's ecosystems provide essential life sustaining services (food, fiber, medicine, tourism opportunities, shelter, etc.) and vital genetic material (required to enhance domestic crop and livestock species). Direct and indirect use (crop cultivation, woodlands, drylands, wetlands and marine fisheries; non-consumptive tourism and trophy hunting) of Namibia's biodiversity contributes to over 40 % of the GDP. The most important wild products include: meat, thatching grass, medicinal products and veld foods (from nuts, fruits, leaves, roots and bark), firewood, wood for construction and woodcarving. Wildlife harvesting represents the base of subsistence economies in rural areas (an estimate of 33 % total household consumption in rural areas comes from wild foods). These livelihood options depend greatly on the ecosystem characteristics. The greater part of Namibia consists of arid and semi-arid rangelands with little to no permanent surface water. These areas, while being less diverse, support the typical megafauna of Africa such as wildebeest, buffalo, giraffe, zebra, oryx, kudu, eland, hartebeest, springbok, etc. and their associated large predators, including lion, cheetah and hyena. Other areas have particularly high proportions of endemic species, endemic to both the southern African subregion and to Namibia. The southern African endemics are part of a "south-west arid zone," which encompasses the Kalahari ecosystem. Nowadays, Namibia's arid savanna systems and dry woodland areas have reverted to savanna-type systems as a result of land degradation processes and extensive deforestation. The results of increasing bush encroachment, soil erosion and soil salination are causes of economic loss and escalating poverty through declining agricultural production and a loss of food security. Namibia's northern areas contain highly diverse ecosystems, particularly at the interface of wetlands, riparian belts and dry woodlands. They support important populations of globally threatened species, including desert elephant, wild dog, wattled crane and slaty egret. Those areas that have the highest human population and livestock densities and that have been subject to extensive land clearing are those that have suffered the highest losses in biodiversity.

2. While 14% of Namibia has been set aside as state-controlled parks and reserves, the protected area network is heavily skewed towards the Namib biome, leaving savannas, woodlands and Karoo biome badly under-represented (only 4 of 13 vegetation types are comprehensively protected). Further, entire vegetation types are wholly unprotected and face imminent threat of degradation from the growing needs of Namibia's human population. Most of the valuable forests are found in the north of the country and are situated on communal land. Forests constitute an important resource for rural communities because of their wood products, habitat and potential role in providing locations for community-based tourism. Overexploitation of forests and uncontrolled cutting of trees for various purposes in the North is prevalent and woodland is cleared for shifting cultivation. State regulation of wildlife and forest products is extremely difficult to enforce due to large distances from administrative centers and lack of government resources.

3. The three main land/resource use activities that impact the sustainable management and use options for the key Namibian ecosystems are: (i) livestock keeping, (ii) wild natural resource use,

and (iii) community tourism activities. Attendant with high population growth rates (in some areas as high as 3.2%/yr) are escalating land demands for settlement, subsistence agriculture and livestock grazing, limited mainly by lack of water. Furthermore, fragmented governmental policies promote in many cases human settlement, subsistence agriculture, and livestock production in unsuitable and highly marginalized arid and semi-arid regions of the country. However, ecosystem degradation affects the poor rural communities most of all because they depend highly or solely on ecosystem services for sustaining their livelihoods. Without an integrated ecosystem management planning framework, human settlers and livestock may compete with wildlife for sparse sources of water and grazing in highly fragile ecosystems that could most appropriately be managed and sustainably utilized as for example wildlands for Namibia's rapidly growing high value ecotourism market.

4. Project Scope. The national CBNRM/Conservancy program responds to national development and environmental priorities by:

- (i) supporting sustainable use and conservation of Namibia's unique ecosystems and related biodiversity (the majority of biodiversity is found outside the National Park network);
- (ii) promoting appropriate land management schemes in an environment where availability of water and suitable rangeland as well as land degradation are the key limiting factors to sustainable management of scarce resources;
- (iii) contributing to reduce poverty in rural areas by providing diversified livelihood strategies through responsibility over local resources, thereby addressing the root causes of threats to unsustainable ecosystem management; and
- (iv) promoting participatory, accountable and democratic systems of local and regional governance.

5. The **Integrated Community-Based Ecosystem Management (ICEMA)** Project builds an important block of the environmental dialogue between GRN, in particular the Ministry of Environment and Tourism (MET), and the World Bank (WB). The project concept builds on the principles and the objectives laid by the National CBNRM vision process, which was discussed with a broad range of stakeholders including the MET in 2000. Funds to support project preparation were provided with the signature of the PDF B grant in June 2001. A project concept document was prepared and approved by World Bank Management in January 2002 while a Project Brief was submitted, at the request of the Government of Namibia, to the GEF Council in February 2002. It was designed to support targeted activities within the larger framework of the national CBNRM initiative.

6. The major focus of the project is on selected conservancies and community based organizations, and on the institutions that manage, use and influence the status of ecosystem management in Namibia. The project has the following characteristics:

a) Political and administrative boundaries. The project component falls within the recognized international boundaries of Namibia. The potential target area of influence covers some 29 existing registered conservancies, representing 74,000 km² of land at (late 2003), with a registered membership of 38,000 people.

b) Institutions. The project institutional focus involves developing capacity in MET, which is tasked with managing the conservancy network, and with local level Community-Based Organizations as primary stakeholders in Integrated Ecosystem Management. It is anticipated that the project will result in a considerably strengthened institutional and human resource capacity, awareness and information base from which these agents are able to manage the conservancies sustainably. As such, it is intended that project activities will result in increased capacity and awareness on biodiversity conservation and management issues in these sectors and institutions, and improve the environmental sustainability of their activities.

c) Threats and root causes. (See Annex 14) The project is focused on removing barriers and overcoming threats to terrestrial biodiversity within priority conservancies, relating to insufficient capacity, knowledge, and awareness for management planning; and to high local community dependence on but low involvement in their management. One main set of root causes relating to biodiversity loss and land degradation – those relating to sociopolitical context (for example limited support infrastructure and impending poverty related health threats such as AIDS), lie outside the system boundary of this project, because they do not relate to its primary institutions and target beneficiaries.

7. The Role of CBNRM in Namibia's Development. Namibia is one of very few countries in the world that enshrines the concept of environmental protection in its Constitution. Article 95(1) of the Constitution states: "The State shall actively promote and maintain the welfare of the people by adopting policies aimed at the following: Maintenance of ecosystems, essential ecological processes and biological diversity of Namibia and utilization of living natural resources on a sustainable basis for the benefit of all Namibians, both present and future." The National Community-based Natural Resource Management Program (CBNRM) is coordinated by MET and its mission is to "provide and coordinate information and technical support communities and stakeholders for sustainable natural resource management and utilization to improve the livelihoods of all Namibians and to conserve biodiversity." MET in accordance with the constitution has adopted, implemented and will continue to develop policies to enhance and protect Namibia's fragile environment while producing economic benefits for Namibians in the present and the future. The Ministry sees the National CBNRM program as an important mechanism for implementing goals and policies to fulfill the constitutional obligation of utilizing natural resources for the benefit of all Namibians including those living in rural communities and who were previously disadvantaged.

8. Recognizing the present narrow focus of CBNRM on conservancies, MET as a matter of policy supports the broadening of the scope of the CBNRM Program away from its initial emphasis on conservancies and wildlife tourism to include all relevant aspects of community-based resource management, including water, medicinal plants, agriculture and rural livelihood development and small scale mining among others. To this end efforts are being made to integrate other government ministries and agencies into the management and coordination of the National Program.

9. MET and its partner organizations recognized that the government's budgetary resources are limited and are being sought after by a large and varied constituency. These agencies concluded

that the financing of environment and natural resources activities cannot be met solely from the public coffers. The National Development Policy I (NDP I) thus identified the need for new and innovative financing outside of government control and specifically made provisions for the establishment of an Environmental Investment Fund to secure long-term financial support for the activities and programs designed to protect Namibia's fragile environment while contributing to its economic development.

10. The national CBNRM Program, has gained credibility within Namibia and is widely recognized and supported in NDP II principles (2001). The NDP II is considered as the first five-year development program of Namibia's vision 2030 document. The document presents in ten of its 48 chapters CBNRM development approaches and/or conservancies as cross-cutting strategies to further sustainable natural resource management, rural development, and poverty alleviation and equity. In particular, CBNRM and conservancies are seen as vehicles for achievement of the NDP II development goal No 2 and its respective objectives: "Promote environmental and ecological sustainability" with three objectives: (i) Policy and legislative framework for sound environmental management and sustainable use of natural resources in place by 2005; (ii) Institutional arrangements for promoting integrated and coordinated approaches to sustainable development operational by 2005; and (iii) Programs on biodiversity, pollution and waste management and urban environment operational by 2005. Further, MET participated in the development of the Rural Profile Strategic Framework (Ministry of Agriculture, Water and Rural Development) to raise CBNRM as an opportunity to promote rural livelihoods and the potential of non-timber forest products for rural micro-enterprises. MET's contributions to rural development relate to the first two pillars of the RPSF (Employment and income opportunities created; Improved access to resources in a sustainable manner).

11. In summary, macroeconomic and sustainable development goals in Namibia support and are broadly consistent with the project's goal – biodiversity of international importance is conserved at sites of highest priority through sustainable financing of the conservancy network.

Baseline Scenario

12. *General Scope.* In the absence of GEF assistance, it is expected that GRN would nonetheless pursue its CBNRM program to meet domestic development objectives. Some of this would be proceeding with other donor support and some would be undertaken through its own limited financial resources. These efforts are being supported by a number of initiatives. MET itself has requested in excess of NA\$50 million from Government for CBNRM budget support in its three-year rolling budget. The Finnish Embassy has pledged further assistance of US\$2 million to forestry related programs, one-half of which is during this project's lifetime. USAID has pledged substantial assistance through a "Life-Plus" initiative that represents a continuation of its successful long-term support of its NGO-delivered LIFE program targeted to sustainable wildlife management. The EU is pursuing targeted support to selected tourism development activities, notably with committed investments to community based lodges starting in 2004 through its Namibian Tourism Development Program. In addition, the EU is providing support for CBNRM Program through its forthcoming program to implement the Rural Development Framework under its "demand-driven services" window. German assistance through KfW is also targeting the

forestry sector.

13. *Costs.* Over the five year project period, the total expenditures associated with the Baseline Scenario are estimated to be US\$21.80 million. These are noted in Table A4.1 and can be described as follows:

- On-the-Ground Support – Ecosystem related income-generating activities (US\$ 8.25 million) This support provides selected investments in community-based enterprise development; the focus is on expanding livelihood options within conservancy management plans consistent with the Government's CBNRM program.
- On-the-Ground Support – Sustainable Ecosystem Management. (US\$ 7.30 million) This provides limited (spatially and technically) on-going investments in community-based wildlife management efforts in high priority conservancy areas with high biodiversity potential; the focus is currently on reintroducing critical wildlife species within conservancy management plans consistent with the Government's CBNRM program.
- Targeted Institutional Support. (US\$ 6.25) This limited baseline activity provides for minimal development of financial and policy mechanisms, including the Forestry Act that permits community forest designation, and the Environmental Investment Fund that is intended to support environmental management efforts in Namibia as well as for promotion of new conservancy registrations and support for core activities in the conservancy network.

14. *Benefits.* The benefits under the Baseline Scenario focus on the basic maintenance of the conservancy areas and selected ecological services, including some sustainable use to local populations. This is a consequence of defining and attempting to expand the area under registered designation, and of delivering specific packages of livelihood enhancement to all conservancies. In addition, the Baseline confers modest global benefits through permitting the identification of core areas of biodiversity significance, and providing partial protection to forests that act as a potential carbon store.

Global Environmental Objective

15. Namibia has ratified the Biodiversity Convention, the Convention on Migratory Species, the Climate Change Convention and the Desertification Convention. A National Biodiversity Strategy and Action Plan have been validated; the proposed project is part of the Government of Namibia's efforts to implement this strategy and action plan and to address national and global environmental priorities.

The **project development objective** is "Community-based integrated ecosystem management practices are supported by the National CBNRM framework and used by targeted conservancies".

The **project global objective** is "to restore, secure and enhance key ecosystem processes in targeted conservancies with biodiversity and land conservation and sustainable use as a goal."

16. The activities proposed under this project are fully consistent with the priorities of the GEF operational programs for integrated ecosystem management (OP 12) as well as for arid and semiarid ecosystems (OP 1). The recognition and conservation of ecosystem structures and

functioning to maintain, increase and diversify ecological services in communal conservancies, are priority long-term targets of the integrated management approach at appropriate spatial and temporal scales promoted by MET as well as other stakeholder. The integrated ecosystem management approach represents a strategy that promotes conservation and sustainable use of natural resources in an equitable way and aims to reach a balance of the Convention on Biodiversity interlinked objectives: conservation; sustainable use; and the fair and equitable sharing of the benefits arising out of the utilization of natural resources.

17. Specifically, the project is compatible with OP 12 opportunities to achieve multiple focal area benefits because it would focus on: (i) Attacking root causes of interlinked threats to biodiversity, land degradation, vulnerability and adaptation to climate change; (ii) Integrating activities that address local level issues, alternative livelihood systems and their global benefits; (iii) Facilitating cross-sectoral institutional strengthening and development of strategic frameworks for IEM for multiple local and global benefits; (iv) Supporting policy and regulatory reforms of relevance for IEM; (v) Incorporating flexible monitoring and evaluation systems to track and help understand long-term ecosystem indices and their linkages to on the ground management; (vi) Entrenching participatory capacity building and technical assistance for targeted local communities for enhanced management of critical species, habitats, and ecosystems and service providers such as the MET and its decentralized structures and NACSO members; (vii) Sharing experiences (traditional and modern knowledge) and dissemination of best practices for replication and policy recommendations; and, (viii) Supporting inclusion of indigenous innovative livestock and crop management approaches in community resource plans.

18. Further, the project responds to GEF's cross-cutting and biodiversity as well as capacity-building strategic priorities as outlined in its Strategic Business Plan FY04 - FY06. In line with biodiversity SP 2, biodiversity conservation will be enhanced and mainstreamed into the various production landscapes (mainly wildlife, agriculture, fisheries, forestry, tourism) which are present throughout Namibia. ICEMA's approach is based on lessons learned of the country's pilot CBNRM activities. Its additionality is based on the development and implementation of a new and more strategic and integrated approach to CBNRM and on the adaptive capacity development plan for its main stakeholders. Innovative elements include the setting-up of a community-development fund facility for sustainable use activities; community-government-private sector partnerships for conservation and socioeconomic benefits for rural communities and integration of integrated ecosystem management into national sector policies and legislation as well as in local resource use plans. Targeted capacity-building and institutional support will be essential for sustainability and replication. A detailed monitoring and evaluation system and knowledge management plan will allow to generate and disseminate further lessons learned and good practices for integrated ecosystem management throughout the project lifetime and beyond (biodiversity SP 4). Also, the project aims to develop and test a model for OP 12 monitoring and evaluation systems with selected communities and service providers.

GEF Alternative

19. *Scope.* The project scope of the GEF Alternative includes potentially 29 registered conservancies along with any additional conservancies that may be registered during the project

life (the estimated total potential registration is 60-80 conservancies). The major thrust of the incremental activities is to provide targeted implementation support that will improve biodiversity and integrate land-use management within selected high priority conservancies that are of national and global importance. A key delivery mechanism to target local communities will be a Community Funding Facility that will deliver direct support to community beneficiaries in conservancies.

20. *Costs.* The total expenditures associated with the GEF Alternative are estimated to be about US\$32.43 million; these are summarized in Table A4.1.

In addition, the program would involve expanded and new activities as follows:

- On-the-Ground Support – Ecosystem related income generating activities (US\$ 10.83 million)

This **expanded** activity involves targeted barrier removal through focusing on the use of community-delivered micro-projects via a Community Funding Facility. The funds will be managed locally with central government oversight. In addition, technical assistance is provided to improve diversification of benefits within an integrated framework; this relies on development of Community Based Integrated Ecosystem Management (CBIEM) plans, and the elaboration of benefit-sharing agreements that provide enhanced protection of the resource base through promoting meaningful diversification of opportunities within the local landscape.

- On-the-Ground Support – Sustainable Ecosystem Management. (US\$ 11.26 million) This provides **expanded** investments in community-based wildlife management efforts in high priority conservancy areas with high biodiversity potential; focus is on reintroducing critical threatened wildlife species within conservancy management plans consistent with the Government's CBNRM program. In addition, the program supports decentralized M&E.

- Targeted Institutional Support. (US\$ 7.64 million) This significantly **expanded** component provides comprehensive support to MET's financial, organizational, and legal frameworks to implement IEM processes within its current CBNRM program.

- Project Management Support. (US\$ 2.70 million) This **additional** support will include project management support for all ICEMA programs and will be enhanced through inclusion of technical and scientific advisory roster on an as-needed basis. Donor reporting needs, including those associated with environmental and social safeguards, will also be catered for under this support. French ICEMA co-funding to this component will strengthen the Project Office expertise, implementation and delivery capacity by adding 4 technical experts (2 national and 2 international) to the PO staff.

21. *Benefits.* The GEF Alternative incorporates the benefits of the Baseline Scenario, and will enable further beneficial outcomes beyond those already specified. In addition to the Baseline benefits, incremental benefits to the global community include the ability to conserve and sustain globally significant and representative biodiversity and landscapes using IEM procedures, despite competing economic pressures on the resource base. GEF assistance will enable Namibia to protect and to utilize sustainably the country's biodiversity in these areas beyond a nationally justified and affordable level. Global benefits will include enhanced monitoring and information exchange through improved record-keeping, and effective capacity to preserve endangered species and habitats.

22. The GEF Alternative also provides institutional benefits that remove a number of the domestic

barriers to long term biodiversity conservation and sustainable land management in these ecosystems. These institutional benefits include the following:

- *Strengthened institutional and technical capacity and awareness for effective management.* Basic information on biodiversity and land resources on which to base management planning is often currently lacking due to the lack of capacity and resources for collecting and using such information. The project will enhance knowledge, technical skills and tools for planning, particularly in globally important areas. Management-relevant information and capacity to use it will improve, such as improved capacity to identify ecosystem values and factors that threaten globally endangered ecosystems, improved capacity for operational management planning, and improved knowledge and capacity to implement relevant management activities. These barriers will be removed through joint M&E systems that involve both local and national partners.
- *Development of replicable models of effective management linked to local and national capacity and policy strengthening.* Under the Baseline, “on-the-ground” field testing of management approaches and policies and linking this with refinement of policies and practices at a national level is unlikely to occur. Under the GEF Alternative, by contrast, the activities will demonstrate how mechanisms for better institutional collaboration can result in better conservation, while not compromising local community and national benefits. These activities will contribute to sustainable livelihoods rather than relying simply on traditional rural development type activities that have few linkages to biodiversity conservation and land-use management. Within this project, the removal of this barrier will be largely connected to the substantial M&E and Knowledge Management efforts.
- *Development of sustainable financing mechanisms for community ecosystem management.* The framework provides a number of mechanisms to do this. First, the sub-projects under the Community Funding Facility will provide a practical mechanism for demonstrating how small community-based enterprise development can be nurtured through conservancies with donor assistance. Second, assistance for rationalizing the broader funding mechanisms (such as the EIF and Game Products Trust Fund) will pave the way for using existing mechanisms to achieve sustainable financing of on-the-ground activities.

Incremental Costs

23. The total expenditure under the Baseline Scenario is estimated to be US\$21.80 million while the total expenditure under the GEF Alternative is estimated to be US\$32.43 million. The incremental expenditures (costs) under the GEF Alternative are therefore approximately US\$ 10.63 million.

24. Of the incremental expenditures (costs) of US\$ 10.63 million, the GEF is requested to fund US\$7.1 million; the balance will be funded by the French GEF and by the Government of Namibia.

Table A4.1
Namibia Integrated Community-Based Ecosystem Management (ICEMA) Project
Incremental Cost Determination (US \$ million)

| GEF Component | Category | Cost | Domestic Benefit | Global Benefit |
|---|----------------------|------------------|---|---|
| Ia. On-the-Ground Support – Broad-based Core Activities | Baseline | US\$15.55 | Basic maintenance of conservancy network, including some sustainable use to local populations that is in broad national interest. Focus on capturing new forestry values, expansion of wildlife value capture, and new core investments in selected tourism infrastructure. | Identification of core areas of biodiversity significance. Partial protection of carbon stores. |
| | With GEF Alternative | US\$22.09 | As above. | As above. |
| | Incremental | US\$6.54 | | |
| Ib. On-the-Ground Support – Targeted Benefit Enhancement [Component 1 of ICEMA] | Baseline | US\$8.25 | Financial benefits generated in conservancies with high tourism and trophy hunting potential. | Reduced poaching of wildlife species of global significance. |
| | With GEF Alternative | US\$10.83 | Increased financial benefit to conservancies and members through a variety of enterprises based on sustainable managements and development of natural resources and eco-tourism to achieve diversified livelihoods. Improved ecosystem function. | Reduced illicit and unsustainable harvesting of globally valuable tree species, wild plants, and animals due to diversified and improved livelihoods for communities in conservancies and surrounding areas associated with globally significant hot spots. |
| | Incremental | US\$2.58 | | |
| Ic. On-the-Ground Support – Targeted Sustainable Ecosystem Management [Component 2 of ICEMA] | Baseline | US\$7.30 | Core wildlife management and game relocation activities to support domestic wildlife and tourism and benefits in conservancies. | Management and monitoring mechanism developed for the development and utilization of globally important wildlife resources. |
| | With GEF Alternative | US\$11.26 | Reduced land degradation and unsustainable use of natural resources through sustainable integrated planning and management of all natural resources in conservancies. | Reduced land degradation, and increase in protection of globally important biodiversity and ecosystems through integrated management. |
| | Incremental | US\$3.96 | | |
| II. Targeted Institutional Support [Component 3 of ICEMA] | Baseline | US\$6.25 | Fundamental policy and legal framework for wildlife management and tourism development in conservancies in place. | Not specific. |
| | With GEF Alternative | US\$7.64 | Enhanced monitoring and information exchange permitting adaptive management. Efficient coordination of implementing institutions, monitoring of progress, and domestic awareness-building. | Enhanced monitoring and information exchange through improved record-keeping. Development of transferable models of Community Based Integrated Ecosystem Management. |
| | Incremental | US\$1.39 | | |
| III. Project Management Support [Component 4 of ICEMA] | Baseline | US\$0.00 | | |
| | With GEF Alternative | US\$2.70 | Enhanced monitoring and information exchange permitting adaptive management. Improved scientific and technical knowledge base for decision-making and site selection. | Greater cost-effectiveness in achieving global impacts. |
| | Incremental | US\$2.70 | | |
| Totals | Baseline | US\$21.80 | | |
| | With GEF Alternative | US\$32.43 | | |
| | Incremental | US\$10.63 | | |

Table A4.2 Financing Summary (US\$ MM)

| | <u>GEF</u> | <u>GRN</u> | <u>FFEM</u> | <u>OTHER</u> | <u>TOTAL</u> |
|--|-------------|-------------|-------------|--------------|--------------|
| On the ground support | 4.28 | 3.85 | 1.16 | 12.80 | 22.09 |
| I. Ecosystem-Based Income Generating Activities | 2.20 | 1.80 | 0.00 | 6.83 | 10.83 |
| II. Sustainable Ecosystem Management | 2.08 | 2.05 | 1.16 | 5.97 | 11.26 |
| III. Targeted Institutional Support | 1.13 | 1.86 | 0.00 | 4.65 | 7.64 |
| IV. Project Management Support | <u>1.69</u> | <u>0.40</u> | <u>0.61</u> | <u>0.00</u> | <u>2.70</u> |
| Total | 7.10 | 6.11 | 1.75 | 17.47 | 32.43 |
| Total Financing Requirements | 7.10 | 6.11 | 1.75 | 17.47 | 32.43 |
| OTHER includes (with additional GRN contributions embedded): | | | | | |
| Communities (Recipients of Sub-Projects) | | | | 0.18 | |
| EC: | | | | 3.00 | |
| Finnish Embassy: | | | | 1.00 | |
| KfW: | | | | 3.00 | |
| USAID: | | | | 10.29 | |

Annex 5: Financial Summary
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

Years Ending
2004 - 2009

(FN: IBRD/IDA in the tables below refers here to GEF)

| | IMPLEMENTATION PERIOD | | | | | | |
|---------------------------------|-----------------------|--------|--------|--------|--------|--------|--------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Total Financing Required | | | | | | | |
| Project Costs | | | | | | | |
| Investment Costs | 1.3 | 1.2 | 1.4 | 1.3 | 1.1 | 0.0 | 0.0 |
| Recurrent Costs | 1.2 | 1.3 | 1.4 | 1.6 | 1.6 | 0.0 | 0.0 |
| Total Project Costs | 2.5 | 2.5 | 2.8 | 2.9 | 2.7 | 0.0 | 0.0 |
| Total Financing | 2.5 | 2.5 | 2.8 | 2.9 | 2.7 | 0.0 | 0.0 |
| Financing | | | | | | | |
| IBRD/IDA | 1.4 | 1.3 | 1.5 | 1.5 | 1.4 | 0.0 | 0.0 |
| Government | 1.1 | 1.1 | 1.2 | 1.3 | 1.4 | 0.0 | 0.0 |
| Central | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Provincial | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Co-financiers | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Communities | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Project Financing | 2.5 | 2.5 | 2.8 | 2.8 | 2.8 | 0.0 | 0.0 |

Main assumptions:

Annex 6(A): Procurement Arrangements

NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

Procurement

Background – Procurement Environment

There has been no Country Procurement Capacity Assessment Review (CPAR) in Namibia since the World Bank has no lending program with that country. Public procurement is governed by the Tender Board of Namibia Act of 1996 which contains procurement regulations and code of procedures. The Act contains elements of good procurement practice including (i) advertising of upcoming opportunities in the monthly government gazette, (ii) public opening of bids, (iii) an enforceable right of review for bidders when public entities breach the rules; and (iv) bid evaluation is carried out by the line ministry (through a tender committee).

The Act, among other things, requires that all procurement decisions from line ministries of government are cleared by the Tender Board of Namibia. However, projects financed by multilateral financing institutions like the African Development Bank are carrying out their procurement independently, -- in accordance with the provisions of the specific loan or credit, agreement without having to refer to the Tender Board. *The ICEMA will follow this same route and have its own procedures, by application of Bank Guidelines and Grant Agreement provisions, all clearly stated and described in the Procurement Procedures (PP) of the Financial and Administrative Manual (part of the PIM).*

The Government of the Republic of Namibia (GRN) has agreed to the use of Standard Bidding Documents for NCB method. Procurement procedures, -- applicable to sub-projects such as simplified procedures and NCB, as well as ICB for larger contracts -- are described in the PP section of the Financial and Administrative Manual.

Use of Bank Guidelines

5. Procurement of civil works and goods will be carried out in accordance with the *Guidelines: Procurement under IBRD Loans and IDA Credits (January 1995 edition – revised January and August 1996, September 1997 and January 1999)*. Bank's Standard Bidding Documents and Standard Bid Evaluation Forms for works and goods under International Competitive Bidding (ICB) will be used. Since the GRN has prepared Standard Bidding Documents for procurement of works and goods under National Competitive Bidding (NCB), procurement of works and goods under NCB will be carried out using these documents. Bank's Standard Bid Evaluation forms would also be used for NCB contracts with necessary modifications. Procurement under the almost \$ 2 million category for about 50 sub-projects (range in scale from small nursery enterprises to medium community-owned eco-lodges) will use *Simplified Procurement Procedures* as laid down in the Procurement Procedures Section of the CFF manual and the Financial and Administrative Manual and will be applicable to conservancies/NGOs benefiting from Community Fund Facility (CFF) grants. These will be executed using a CDD model whereby communities are responsible for procurement of the

necessary civil works, goods and services (with assistance from MET, the PO, or intermediaries).

Selection of Consultants will be carried out in accordance with the *Guidelines: Selection and Employment of Consultants by the World Bank Borrowers (January 1997 edition – revised September 1997, January 1999 and May 2002)*. Bank's Standard Request for Proposals and evaluation forms will be used where applicable.

Advertising

6. A General Procurement Notice (GPN) is mandatory and will be published in the UN Development Business (UNDB) and in a national newspaper of wide circulation upon Grant approval. The GPN will list the project components and goods, works and consulting services for which specific contracts will be advertised. The recipient will keep a roster of the responses received from the potential bidders interested in the contracts. The GPN shall be updated annually for outstanding ICB and large consultancy services. Specific Procurement Notices (SPN) for goods and works to be procured under ICB and NCB and for consultant services will be published in a national newspaper of wide circulation and may also be advertised in the UNDB in order to get the broadest interest possible from eligible bidders. Such contracts may be advertised in the "on-line version" of UNDB to save time. The date of the SPN should coincide with the date that the bidding documents are available for purchase by interested bidders. Large consulting services (i.e. above \$200,000) will be advertised in the "on-line version" of the UNDB and in an international or technical newspaper, in order to seek expressions of interest (EOI) prior to the preparation of the shortlist. Copy of this advertisement will be sent to those firms which responded to the expression of interest for consulting contracts listed in the GPN. It is also encouraged to contact embassies and professional organizations. Request for EOI for other consulting services will be advertised in a national newspaper of wide circulation. At least two weeks should be allowed for submission of expression of interest.

Procurement capacity

7. Procurement capacity assessment was carried out to assess the capacity of the executing agency which will be responsible for carrying out procurement under the proposed Integrated Community-Based Ecosystem Management Project. The agency identified during the pre-appraisal, mission carried out in April 2003, is the Ministry of Environment and Tourism (MET). *A training effort will be required to provide basic procurement training to all staff who would be involved in procurement activities in the MET and in selected conservancies/NGOs.*

8. Procurement strategy and planning is not a normal feature of the national procurement system. Procurement plans are not prepared by the Implementing Agencies. *Procurement procedures are laid down in the PP section of the Financial and Administrative Manual. This manual guides procurement within the PO. It establishes clear responsibilities for accountabilities and decision making and procurement monitoring and evaluation. Other aspects of the procurement cycle management to be covered include, use of standard bidding documents, guidelines for setting evaluation criteria, thresholds and contract management issues.*

9. There will be need for the Procurement Officer *to design a proper filing system of procurement documentation and processes, and have it established by effectiveness.*

C. Procurement Implementation Arrangements

10. The overall project implementation will fall under the responsibility of the Project Office (PO) to be created in the Ministry of Environment and Tourism (MET), under the authority of its Permanent Secretary. The PO will be headed by a Project Office Coordinator will also comprise qualified staff to be recruited for accounting and procurement management, and other technical experts, in addition to normal support staff. MET will be responsible for ensuring the smooth and efficient implementation of the project's various technical programs. MET's Directorates (including DSS, DoF, DPWM, DoT and DEA and others as necessary) will cooperate through a MET/ICEMA Steering Committee that will provide guidance to the technical aspects of all project activities; individual Directorates may take the lead on some activities but in general all Directorates will potentially contribute to providing technical input for all project sub-components. One role of the Steering Committee will be to ensure that such guidance is conducted efficiently, and it may thus from time to time delegate specific technical tasks to individual Directorates (in a similar fashion that MET's Management Committee currently operates).

The functions of the MET/ICEMA Steering Committee, in consultation with the Project Office, will include: (i) preparing annual work plans for the project, identifying the roles of MET's Directorates within the activities identified in that plan; (ii) developing terms of reference (TORs), short lists, and requests for proposals (RFPs) for consulting assignments, and providing key inputs for the preparation of bidding documents, including technical specifications, for goods contracts; (iii) assisting the PO in establishing and maintaining a filing system to record all documentation in relation to the project implementation; (iv) participating in bid evaluation and short-list approvals, including those associated with the CFF; (v) advising on the need for retaining specific advise from the TSAR; (vi) advising on the need for supportive research studies relating to MET policy initiatives; (vii) contributing to M&E efforts as may be called for by the project's M&E system; (viii) dealing with public relations concerns that may be referred to it by the Project Office; (ix) being available for World Bank Supervision missions, which will be scheduled to ensure that schedules are mutually convenient.

11. The PO Procurement Officer main tasks will include (i) consolidating the annual plans from MET/ICEMA Steering Committee; (ii) day to day monitoring of procurement actions of IDs and maintenance of the master procurement plan (iii) preparing bidding documents and providing technical advice to staff who have been assigned procurement responsibilities in the IDs; (iv) advertising contracts when appropriate; (v) assisting and participating in the evaluation of bids and proposals; (vi) preparing evaluation reports and no objection letters for onward transmittal to the World Bank, when appropriate; (vii) advising Project Office Coordinator and MET/ICEMA Steering Committee on matters pertaining to procurement implementation on the project; and (viii) providing quarterly reports to the World Bank, which will include procurement progress to date, procurement methods, nature and amounts of contracts procured through each method, number and amounts of contracts subjected to prior review, etc. The PO Procurement Officer will

also be responsible for all communication with the Bank on procurement related matters and of the maintenance of all necessary procurement documentation for the project.

Procurement Plan

12. The MET will prepare a prepare detailed two years procurement plan and a tentative one for the remaining period. The two years procurement plan will include relevant information on all goods, works, and consulting services expected to be procured, and their estimated cost; procurement/selection method as well as timing in the procurement/selection process. However, for the CFF it may not be possible to determine the exact mix of goods, services and works to be procured. The overall procurement plan will be updated on annual basis in conjunction with preparation of the Annual Work Program and Budget.

Procurement Methods

13. **Civil Works** supported under the project include the construction of community-ecolodges, and those that would be part of sub-projects under the CFF, for which it is difficult to determine the exact number and size of the contracts. However, all civil works, including those under the CFF, will be procured in accordance with the following procedures. Civil works contracts costing more than US\$ 200,000 equivalent per contract will be procured through International Competitive Bidding (ICB). Domestic Preference will be applicable to local contractors bidding for contracts through ICB, although ICB packages are not envisaged. Individual civil works costing more than US\$ 50,000 equivalent but less than US\$ 200,000 equivalent will be procured through National Competitive Bidding (NCB). Civil works costing less than US\$ 50,000 equivalent per contract will be procured on the basis of simplified bidding documents by soliciting quotations from not less than three (3) qualified domestic contractors, preferably more in order to obtain at least three comparable offers. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Bank, and relevant drawings, where applicable. In all cases the award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

14. **Goods :** Goods to be procured include equipment and supplies, motor vehicles, GPS, radio collars, fencing, office equipment and furniture. For goods estimated to cost US\$ 100,000 equivalent and above per contract will be procured through International Competitive Bidding (ICB). Individual contracts costing more than US\$ 50,000 equivalent and less than US\$100,000 equivalent will be procured through National Competitive Bidding (NCB) procedures. Goods with an estimated value of less than US\$ 50,000 equivalent may be procured through National and International Shopping, or the UNDP Inter-Agency Procurement Services Office (IAPSO), based on comparing price quotations from at least three eligible suppliers in accordance with IDA Procurement Guidelines (paragraph 3.5 and 3.6) and June 9, 2000 Memorandum “ Guidance on Shopping” issued by the Bank. Requests for such quotations will be in writing, and will include time and place for delivery of the quotations, a clear description/ specification and quantity of the goods; as well as requirements for delivery time, place for delivery of goods, and where needed installation requirements as appropriate. The request for quotations should be sent to at least three

reputable suppliers, however it may be better to approach up to six suppliers because not all three suppliers may respond, so that at least three competitive quotations are received. In case of International Shopping, quotations should be solicited from at least three suppliers in two different countries. Quotations will be opened and evaluated at the same time. Whenever possible goods of similar nature and if needed during same period, they should be grouped into packages of USD 100,000 equivalent or more, so that they can be procured through ICB in order to get value for money.

15. **Consultants' services and training:** Consulting services required for implementation of the project components, including studies, technical assistance, and the supervision of civil works, which require the recruitment of consulting firms or individual consultants will be procured in accordance with the Bank's Guidelines for the Selection and Employment of Consultants by World Bank Borrowers. All Consulting services contracts above US\$ 100,000 equivalent for firms will be awarded on the basis of Quality and Cost-Based Selection (QCBS) method in accordance with Part II of the Guidelines. Shortlists for contracts costing less than US\$ 100,000 equivalent may consist of national firms only in accordance with provision of paragraph 2.7 of the Guidelines provided that at least three qualified firms are available at competitive costs. However, if foreign firms have expressed interest, they will not be excluded from consideration. Other consulting services contracts below the threshold of US\$100,000 equivalent for firms may be awarded on the basis of Consultants Qualifications (CQ) or Least-Cost Selection (LCS) in accordance with Guidelines Part III. Individual consultants will be selected in accordance with Guidelines Part V. The selection of UN agencies and Non-Governmental Organizations (NGO) will be in accordance with paragraphs 3.13 and 3.14 of the Guidelines and individual contract will be limited to US\$ 50,000 equivalent.

16. **Training Programs** including workshops and study tours are geared toward building capacity, information sessions and improving management skills. Training programs would be part of the Project's Annual work plans and will be included in annual procurement plans. Prior review of all activities will be required, including proposed budget, agenda, participants, location of training, and other relevant details.

Prior Review Thresholds (see Table B)

17. All civil works contracts estimated to cost US\$ 100,000 equivalent or more, and the first 3 contracts estimated to cost US\$50,000 equivalent or more, will be subject to the World Bank review in accordance with the procedures in Appendix I of the Procurement Guidelines.

All goods contracts estimated to cost US\$ 100,000 equivalent or more, and the first 3 contracts procured under NCB method, will be subject to the World Bank review in accordance with the procedures in Appendix I of the Procurement Guidelines.

Consultancy contracts with firms estimated to cost US\$ 100,000 equivalent or more, and consultancy contracts with individuals estimated to cost US\$ 50,000 equivalent or more will be subject to IDA review in accordance with the procedures in Appendix I of the Consultant Guidelines.

Contracts which are not subject to prior review will be selectively reviewed by the Bank during project implementation and will be governed by the procedures set forth in paragraph 4 of Appendix I to the relevant Guidelines. All documentation used for the procedures of contracting, recruitment of consulting services, evaluation and award shall be retained for subsequent examination by auditors and the World Bank supervision missions.

Overall Procurement Risk Assessment

18. The overall procurement risk assessment for the project at both levels is rated **High** and the following action plan is designed to mitigate the high procurement risk:

Proposed Action Plan :

| Item | Action Proposed | Proposed Completion Date |
|------|---|--|
| 1. | Establish Project Office (PO) | By effectiveness |
| 2. | Recruit qualified Procurement Officer for PO | By effectiveness |
| 3. | Recruit short term consultant to prepare Procurement Procedures (PP) as part of the Financial and Administrative Manual | By effectiveness |
| 4. | Finalize PP and standard bidding documents which exclude features not acceptable to Bank | By effectiveness |
| 5. | Training for IAs in the use PP | Effectiveness + 6 months |
| 6. | Train procurement staff in Record Management | Effectiveness + 6 months |
| 7. | Train procurement staff in basic procurement (ESAMI, GIMPA) | During project Implementation |
| 8. | Prior Review of NCB and consultant qualification contracts | First 3 contracts |
| 9. | Bank procurement post reviews/supervision missions | Every 6 months during project implementation |

Procurement methods (Table A)

Table A: Project Costs by Procurement Arrangements
(US\$ million equivalent)

| Expenditure Category | Procurement Method | | | | Total Cost |
|---------------------------------------|--------------------|----------------|----------------|----------------|----------------|
| | ICB | NCB | Other | N.B.F. | |
| 1. Works | 0.00 (0.00) | 0.35 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.35 (0.00) |
| 2. Goods Vehicles/Equipment | 0.21 (0.00) | 0.07 (0.00) | 0.33 (0.00) | 0.00 (0.00) | 0.61 (0.00) |
| 3. Services | 0.00 | 0.00 | 2.03 | 0.00 | 2.03 |

| | | | | | |
|------------------------------|--------|--------|--------|--------|--------|
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| 4. Training Workshops | 0.00 | 0.00 | 0.79 | 0.00 | 0.79 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| 5. Project Grants | 0.00 | 0.00 | 1.47 | 0.00 | 1.47 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| 6. Operating Costs | 0.00 | 0.00 | 1.91 | 0.00 | 1.91 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Total | 0.21 | 0.42 | 6.53 | 0.00 | 7.16 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |

^{1/} Figures in parentheses are the amounts to be financed by the Bank Grant. All costs include contingencies.

^{2/}

Vehicles will be purchased through IAPSO against necessary specifications.

For service contracts relating to consultancy services, it is assumed that one-half will be packaged through consolidated contracts (>US\$50,000) that may include multiple conservancies or multiple activities, and that one half will be packaged through small contracts that are targeted to specific activities or project sites.

Table A1: Consultant Selection Arrangements (optional)
(US\$ million equivalent)

| Consultant Services Expenditure Category | Selection Method | | | | | | | Total Cost ¹ |
|---|------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------------|
| | QCBS | QBS | SFB | LCS | CQ | Other | N.B.F. | |
| A. Firms | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) |
| B. Individuals | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) |
| Total | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) |

^{1/} Including contingencies

Note: QCBS = Quality- and Cost-Based Selection

QBS = Quality-based Selection

SFB = Selection under a Fixed Budget

LCS = Least-Cost Selection

CQ = Selection Based on Consultants' Qualifications

Other = Selection of individual consultants (per Section V of Consultants Guidelines), Commercial Practices, etc.

N.B.F. = Not Bank-financed

Figures in parentheses are the amounts to be financed by the Bank Grant.

Prior review thresholds (Table B)

Table B: Thresholds for Procurement Methods and Prior Review¹

| Expenditure Category | Contract Value Threshold (US\$ thousands) | Procurement Method | Contracts Subject to Prior Review (US\$ millions) |
|-------------------------------------|---|--|---|
| 1. Works | ≥ 200K <200K ≥100K <100K ≥50K ≤ 50,000 All values | ICB NCB NCB Price comparison and Simplified procedures Direct contracting | All contracts All contracts First 3 contracts only None All contracts |
| 2. Goods | ≥ 100K < 100K ≤ 50K All Values | ICB NCB Shopping/IAPSO Direct contracting | All contracts First 3 contracts only None All contracts |
| 3. Services Consultant firms | ≥ 100K < 100K ≥ 50K < 50,000 All Values | QCBS Consultant Qualification/LCS Individual consultant Individual consultant Single source selection | All contracts None All contracts None All contracts |
| Individuals | | | |

Total value of contracts subject to prior review:

Overall Procurement Risk Assessment: High

Frequency of procurement supervision missions proposed: One every 6 months
(includes special procurement supervision for post-review/audits)

^{1/} Thresholds generally differ by country and project. Consult "Assessment of Agency's Capacity to Implement Procurement" and contact the Regional Procurement Adviser for guidance.

Annex 6(B): Financial Management and Disbursement Arrangements NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

Financial Management

1. Summary of the Financial Management Assessment

Country Risk

Namibia is not a ‘borrower’ from the Bank, so far, hence no Country Financial Accountability Assessment (CFAA) has been carried out on the country to date. In addition, the ICEMA project is generally considered to be the first ‘major’ Bank foray into the country.

Preliminary indications are that, like the vast majority of African countries, Namibia also suffers from a low capacity in terms of financial professionals. The country however boasts no less than eighteen professional accounting firms, the majority of which have very strong links with South Africa.

There is a well established ‘Office of the Auditor General’, but the tendency is to outsource some of the work, particularly that relating to the audit of local authorities and parastatals.

The country does have an African Development Bank (AfDB) loan and some development grants from bilateral organizations which it has been accounting for successfully.

Project Risks

Neither the lead ministry (Ministry of Environment and Tourism – MET) nor the Project Office (PO) can at this point demonstrate any previous experience with running Bank financed projects, but to the MET’ s credit, it has successfully managed at least three preparation grants.

In summary, the key financial management related risks that project management may face, and the manner in which they should be addressed are listed below:

| <i>Type of Risk</i> | <i>Risk Rating</i> | <i>Remarks and possible mitigation</i> |
|--|---------------------------|---|
| Funding Risks | | |
| 1. Funds may not be used in an efficient and economical way and exclusively for purposes intended. | M | A significant proportion of the implementation will be in the hands of established agencies with competences in the areas that they get selected for, but equally there will be communities, particularly on the CFF, that will not have the capacity to manage the funds efficiently. <i>Clearly documented monitoring procedures to be developed.</i> |
| 2. GRN may be unable to meet its funding obligations due to budgetary constraints | N | <i>Appropriate and practical arrangements have been made to capture VAT on project expenditures for re-use by project, in addition to a budget line created specifically for the project.</i> |
| Overall Funding Risk Assessment | M | |

Strengths and Weaknesses

Probable Strengths

Project financial management will be completely outside of the government accounting system. This means that there will basically be less bureaucratic processes but greater focus on a narrower range of expenditures. Both control and reporting ability should be enhanced by the Project Office's intimate knowledge of the various activities that will be going on.

For accounting and reporting purposes, a computer based financial management system will be established, and staff trained in its proper use.

In addition, the production of an Financial and Administrative Manual acceptable to the Bank will be a condition for effectiveness, meaning that processes and controls will be adequately described for users.

Project Accounting Staff will be recruited in accordance with Terms of Reference (TOR) acceptable to the Bank.

Weaknesses

None of the systems, the people, and the procedures to run the Finance Department are in place as yet. Hence it is entirely possible that 'good' people may not be found, the staff may not be able to optimize use of the computerized financial management system to be installed, and the Financial and Administrative Manual may not work so well in practice.

Financial Management System and Reporting

Organizational Structure

A Project Office to be established specifically for the management of the project will be in day to day charge of the project operations. In addition to a Coordinator, the PO will be staffed by senior officers in charge of Accounting and of Procurement respectively.

The project's finance/accounting person will be responsible for all accounting record keeping, disbursements, reporting, and general financial management. He will report to the Coordinator, who in turn reports to the PS in the MET. The PS therefore retains overall responsibility for the performance of the project and for project funds. The PS is thus the "Accounting Officer" for the project.

Financial and Administrative Manual

Project financial management will be based on a system in an Financial and Administrative Manual. The manual will give guidance on:

- the financial policies and procedures to be applied;
- the accounting and internal control system to be followed;
- the nature and timing of financial reporting;
- the flow of funds channels;
- and auditing arrangements.

The manual also contains details of :

- **Account Codes** – the coding system must give sufficient flexibility to provide financial information by :
 - project activity
 - project component
 - expenditure category.
- **Internal Control System**
- **Fixed Assets** – creation of a register and the nature of the details therein.
- **Budgeting** - Salient features of the budget preparation process, as well as the monitoring of actual performance against budget.

Accounting System

The proposed accounting system for the project will be based on a computerized, double entry system and will follow the government's 'cash accounting' system. Its objectives include the achievement of :

- Proper recording of assets, liabilities, revenues (where applicable) and expenditures of the project;
- Providing accurate and timely management information;
- Providing timely and accurate information for use by other stakeholders in the formats that they require;
- Supporting the preparation of statutory and other audits.

The accounting system must support the general principles of equity, economy, efficiency, and effectiveness.

With regards to the Bank's requirements, the system must also be able to support the production of quarterly Financial Monitoring Reports (FMR s) which integrate project accounting, procurement, contract management, disbursement and physical progress of activities on the ground.

Reporting (Financial Monitoring Reports)

Formats of the various periodic financial monitoring reports to be generated from the financial management system will be developed. There will be clear linkages between the information in these reports and the Chart of Accounts. The financial reports will be designed to provide quality and timely information to project management and various stakeholders on project performance.

The following minimum *quarterly* FMRs will be produced :

- Financial Reports:
 - ✓ Sources and Uses of Funds by Activity
 - ✓ Sources and Uses of Funds by Component
 - ✓ Special Account Reconciliation
- Physical Progress Report
- Procurement Monitoring Report

The FMRs will be produced for reporting purposes only. Disbursements will follow the traditional route (SA advance, SOEs and Withdrawal Applications). Only with consistent satisfactory

performance in terms of the production of FMR s will report based disbursements be considered.

Project Financial Statements

The Grant Agreement will require the submission of audited financial statements to the Bank within six months after the financial year-end. In addition to the monthly bank reconciliations and quarterly FMR s, the project will be required to produce annual Project Financial Statements which will be subject to audit.

The Financial Statements will consist of:

- ✓ *A Statement of Sources and Uses of Funds* which recognizes all cash receipts, cash payments and cash balances controlled by the project;
- ✓ *The Accounting Policies Adopted and Explanatory Notes*. The explanatory notes should be presented in a systematic manner with items on the *Statement of Sources and Uses* being cross referenced to any related information in the notes. Examples of this information include:
 - a summary of fixed assets by category of assets;
 - a summary of SOE Withdrawal Schedule, listing individual withdrawal applications;
- ✓ *A Management Assertion* that Bank funds have been expended in accordance with the intended purposes as specified in the relevant World Bank legal agreement.

Staffing and Training

Staff Qualifications & Skills

The project's financial officer will be hired based on a TOR to be agreed with the Bank. This will stipulate a certain minimum level of qualification and experience.

Training Plan

A training plan for all staff is being prepared based on their various backgrounds. The training will include exposure to Bank procedures.

Supervision

Financial management supervision will be carried out regularly by the Financial Management Specialist (FMS) at least twice a year. The initial supervision will be on implementation progress of agreed actions as per paragraph 11 and the effective operation of the accounting system to be developed for the PO. In addition, the project may be submitted to regular SOE reviews as required by the World Bank.

The FMS will:

- Conduct an FM supervision before effectiveness/ initial disbursement (per above);
- Review the financial component of the quarterly FMR s as soon as they are submitted to the World Bank; and,
- Review the annual Audit Reports and Management Letters from the external auditors and follow-up on material accountability issues by engaging with the TTL, Client, and/or Auditors.

Procurement Arrangements

Procurement by the project will be under the management of a Procurement Officer to be hired. There are no procurement arrangements that specifically impact the proposed FM arrangements.

Special Account and Flow of Funds Arrangements

The project will operate three bank accounts as follows :

- o Two bank accounts to house the IBRD/GEF funds:
- o The US\$ denominated **Special Account (SA)** to be operated by the counterpart and held at a local commercial bank acceptable to IBRD;
- o A Namibia \$ denominated **Project Account (PA)** also to be operated by the counterpart and held at a local commercial bank.
- o One Namibia \$ denominated **‘Counterpart Fund’ Account (CFA)** to be held at a local commercial bank to house funds dedicated by the counterpart to the project.

Counterpart funds will be allocated through the normal Central Government budgetary process, but in addition, actual cheques have to be raised and the amounts deposited into the CFA for the project’s ongoing use. An initial advance from Government will also be required. This will be reinforced by VAT refunds which the Ministry of Finance agreed to credit direct to the project’s counterpart fund account.

All three bank accounts should be in place by the time of effectiveness. Details of the necessary authorizations and the bank account signatories should be documented as part of the Financial and Administrative Manual

Use of SOEs

Replenishment of funds from IBRD to the SA will be made upon evidence of satisfactory utilization of the advance, reflected in SOEs and/or on full documentation for payments above SOE thresholds. Replenishment applications would be required to be submitted regularly (generally monthly). If ineligible expenditures are found to have been made from the SA, the grant recipient will be obligated to refund the same. If the SA remains inactive for more than six months, the grant recipient may be requested to refund to IBRD amounts advanced to the SA.

IBRD will have the right, as will be reflected in the Development Grant Agreement, to suspend disbursement of the funds if reporting requirements are not complied with.

Financial Management Action Plan

| No. | Action | Due date | Conditionality |
|------------|--|--|----------------------------|
| 1. | Prepare the Financial and Administrative Manual. | Draft to be ready by negotiation. Final to be a | Condition of Effectiveness |

| | | | |
|----|--|--|---|
| | | condition of effectiveness. | |
| 2. | Acquire and install a computerized accounting system | Six months after effectiveness | None |
| 3. | Agree on format for FMR s. | Negotiations | Copy of formats to be attached to minutes of negotiations |
| 4. | Demonstrate ability to prepare FMR s. | Effectiveness | Condition of Effectiveness |
| 5. | Appoint Project Management and FM staff for the PO. | Effectiveness | Condition of Effectiveness |
| 6. | Open Special Account, the Project Account, and the Counterpart Fund Account in a commercial bank acceptable to IBRD | Effectiveness | Condition of Effectiveness |
| 7. | In conjunction with the Auditor General, prepare a shortlist of firms qualified to become auditors of the project to be invited to submit proposals for conducting the external audit on approved terms of reference acceptable to the World Bank. | TOR s to be ready by negotiation. Appointment six months after effectiveness | Draft TOR to be ready by Negotiation |

Financial Covenants and Effectiveness Conditions

Financial covenants - standard per Article IV of the Development Grant Agreement.
Effectiveness conditions to be drawn from the Financial Management Action Plan above.

Conclusion

The **overall conclusions** of the current financial management assessment are that :

➤ The **proposed** financial management **arrangements** for the project **would satisfy** the Bank's minimum requirements under OP/BP 10.02. This will however be **subject to confirmation** once the proposed staff have actually been hired, the proposed system is in place, the proposed manuals and FMR s have been completed. The various tasks should be implemented by the due dates indicated in the table above.

2. Audit Arrangements

2.1 Internal Audit

The MET has an Internal Audit Department which the project could benefit from. Currently however, the unit is staffed with one officer only, and it is unlikely that the officer would be able to discharge of his duties in the MET satisfactorily, and then take on additional responsibilities for the Project. Should the need for internal audit increase during implementation, consideration may be made to help the MET increase its staff compliment of the Internal Audit Department in order to optimize the use of those resources.

2.2 External Audit

The external audit will be carried out annually by the Controller and Auditor General (CAG) or such other qualified auditor approved by the CAG and by the Bank. The external audit will cover all World Bank funds and Counterpart funds at all levels of project execution. The auditor will be required to express an opinion on the audited project financial statements only, in compliance with International Standards on Auditing (IFAC/INTOSAI pronouncements) and submit the audit report within six months of the end of the financial year. In addition, detailed management letters containing the auditor's assessment of the internal controls, accounting system and compliance with financial covenants in the Grant Agreement, and suggestions for improvement will be prepared and submitted to management for follow-up.

It is recommended that arrangements for the external audit of the financial statements of the project should be communicated to the Bank through agreed terms of reference.

3. Disbursement Arrangements

Disbursements from the Grant will be made on the basis of incurred eligible expenditures (transaction based disbursements). The Bank will advance an initial amount from the proceeds of the Grant into the Special Account. The advance to a SA would be used by the recipient to finance the Bank's share of project expenditures under the proposed grant.

Where necessary, the direct payment method, involving direct payments from the Grant Account to third parties for works, goods and services, may be utilized upon the recipient's request. Payments may also be made to a commercial bank for expenditures against IBRD special commitments covering a commercial bank's Letter of Credit. The Bank's Disbursement Letter will stipulate the minimum application value for direct payment and special commitment procedures.

Upon effectiveness, the project will be required to submit a withdrawal application for an initial deposit to the SA. The deposit will be drawn from the Grant Account, in an amount to be agreed and specified in the Development Grant Agreement.

Allocation of grant proceeds (Table C)

Retroactive Financing

Retroactive financing of up to US\$ 250,000 from the Grant is recommended for expenditures incurred after April 1, 2004.

Table C: Allocation of Grant Proceeds

| Expenditure Category | Amount in US\$million | Financing Percentage |
|------------------------|-----------------------|---|
| Civil Works | 0.31 | 100% of foreign and 85% of local expenditures |
| Equipment and Vehicles | 0.54 | 100% of foreign and 85% of local expenditures |
| Consultants Services | 1.80 | 75% |
| Training | 0.71 | 100% |
| Sub-Projects | 1.32 | 100% |
| Operating Costs | 1.71 | 85% |

| | | |
|--|------|--|
| Unallocated | 0.71 | |
| Total Project Costs with Bank Financing | 7.10 | |
| Total | 7.10 | |

Annex 7: Project Processing Schedule
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

| Project Schedule | Planned | Actual |
|---|----------------|---------------|
| Time taken to prepare the project (months) | | |
| First Bank mission (identification) | 08/01/2001 | 11/01/2001 |
| Appraisal mission departure | 04/06/2003 | 02/11/2004 |
| Negotiations | 05/01/2003 | 03/10/2004 |
| Planned Date of Effectiveness | 08/01/2003 | 07/31/2004 |

Prepared by:

PDF-B coordinator: Ms Ebben Simon (previously Ms Nepeti Nicanor, Mr. Nathanael Areseb)

MET ICEMA working group, led by Permanent Secretary Dr. Malan Lindeque and Director of Environmental Affairs Mr. Teo Nghitila

Preparation assistance:

NACSO Secretariat: Patricia Skyer and PDF-B Management Committee

Bank staff who worked on the project included:

| Name | Speciality |
|----------------------------------|---|
| Christophe Crepin | Task Team Leader |
| Lucie Tran | Operational Analyst |
| Chris Warner | Senior Environmental Specialist |
| Iraj Talaj | Senior Financial Management Specialist |
| Slaheddine Ben-Halima | Senior Procurement Specialist |
| Aberra Zerabruk | Lead Council |
| Steve Gaginis | Disbursement |
| Beula Selvadurai | Program Assistant |
| Nina Doetinchem | Biodiversity Specialist |
| Dan Aronson | Social Safeguard Advisor |
| Arne Dalfelt later John A. Boyle | Environmental Safeguard Advisor |
| Gabriele Rechbauer | Consultant (PAD) |
| Richard Cambridge | Quality Enhancement |
| Nicole Glineur | Peer Reviewer, Senior Environmental Specialist (MNA) |
| Juan Pablo Ruiz | Peer Reviewer, Natural Resource Management Specialist (LAC) |
| Reiner Woytek | Indigenous Knowledge |
| Jack Ruitenbeek | Consultant (PIM) |
| Harri Seppanen | Consultant (m&e) |
| Jonathan Nyamukapa | Financial Management Specialist |
| Pauline McPherson | Resource Management Officer |
| Hisham A. Abdo Kahin | Legal Advisor |

| | |
|----------------|------------------------------|
| Kirk Hamilton | Lead Environmental Economist |
| William Sutton | Agricultural Economist |

The Bank team will include a social scientist (not yet identified) for supervision of the project's CDD aspects.

During the **preparation phase, the following studies and activities** have been undertaken with GEF PDF-B resources and used to define the project's scope and design:

1. Study for baseline surveys to identify biodiversity and other indicators in three targeted conservancies to propose local monitoring and evaluation system for integrated ecosystem management:

The study results were used for the participatory process to prepare the National CBNRM Program's m&e system and the project m&e manual. At local level, the results were used to develop the Conservancy Development Guide's self-assessment indicators but judged by field-based organizations relatively ambitious (see for more details under point 5 below).

2. Modelling pilot game translocation between communal and commercial conservancies:

The report identified costs, benefits as well as success and failure features for this pilot game translocation which were used to identify and define component 2 wildlife management activities as part of ecosystem restoration measures and support for strategic and operational guidance at ministerial level.

3. National assessment of land use, management and tenure impacts on biodiversity and environmental sustainability - joint activity of MLRR, MAWRD, MET, MRLGH:

Due to the potential scope of the proposed follow-up activities and the political interest received from MLRR and MET, it was decided to develop a separate more research-oriented GEF MSP proposal. The PDF-A for the "Promoting Environmental Sustainability through Improved Land-Use Planning" has been approved by the Bank and GEF Secretariat in November 2003.

4. Study for scope for Environmental Investment Fund (EIF) Endowment

An international experienced environmental trust fund consultant undertook this study together with the MET to assess the legal, institutional, policy and financial framework for the EIF. The recommendations will be used to determine the future review of the EIF and scope of ICEMA's support under component 3.

5. Study for conservancy development guide and development of manual

The objectives of the CDG changed during the development process (from a more donor-driven perspective to categorize conservancies according to their needs to a conservancy self-assessment planning tool). It was tested in a few emerging conservancies in the South and will be further reviewed and finetuned by MET and its partners (including conservancies). Ideally, it should be used as one of the start-up tools in the conservancy planning process supported under component 2.

6. Support for vision process to develop integrated CBNRM framework and action plan

A participatory process including a multi-stakeholder workshop was supported with PDF-B resources. The result, the 5-year CBNRM vision plan, was used as the basis for the ICEMA design (see annex 1, annex 2 and section c).

8. Support for MET's CSD capacity assessment and development of training plan

PDF-B resources were used to assess the then newly established MET's CBNRM Support Division capacity and their training needs. A long and short-term training plan is available. ICEMA is expected to support part of its implementation under component 3.

9. Study on Conservancy Feasibility Assessment and Support for Southern Namibia

The report provides a detailed assessment and profiles for emerging and registered conservancies in Southern Namibia as well as their technical and financial support needed and prospects for sustainability. The results have been used for the project sites selection process (see annex 16) and the overall definition of component 2.

10. Development of communication strategy for national CBNRM program

The document will be used to implement the knowledge management sub-component of component 3 and provides a good assessment of the CBNRM stakeholder involved and their current relationships.

11. Development of monitoring and evaluation manual:

A draft project m&e manual has been developed, supported by international and national consultants, the MET and non-governmental organizations (see annex 18). Input has been provided to first efforts for a National CBNRM m&e system (not yet finalized).

12. Support for MET to review CBNRM related policy framework:

The MET provided a detailed CBNRM policy framework (see annex 12).

13. Study on identification of community forests adjacent to conservancies with potential for piloting joint resource planning and implementation on communal lands under an integrated ecosystem approach:

The identified target sites were used in the selection process leading to the 10 pilot sites (see annex 16) as well as to collect proposals (scope, budget, implementation, sustainability) for certain CFF sub-projects (agro-forestry, NTFP, multi-sector) and ecosystem restoration activities.

14. Environmental and Social Assessment including Indigenous People Development Plan and Resettlement Policy Framework:

The safeguard documents are summarized in section E 5 - 7 and annex 19.

15. Development of Project Implementation Manual:

A draft PIM is available including a draft CFF manual.

Annex 8: Documents in the Project File*
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

A. Project Implementation Plan

The Project Implementation Plan/Manual (PIM) has been prepared by the Ministry of Environment and Tourism with support of local consultants (Mr. Jerry Mameja and Mrs. Lindi Ilonze) and reviewed by Jack Ruitenbeek (international consultant) as well as the project quality assurance team.

The Project Implementation Manual includes three sub-manuals: (i) the Community-Funding Facility Manual; (ii) the Financial and Administrative Manual; and the (iii) the M&E Manual.

B. Bank Staff Assessments

Written comments received prior the Concept Review, January 17, 2002 including project team responses:

- (i) Peer Reviewer: Nicole Glineur (MNA), Dec. 18, 2001
- (ii) Bob Winterbottom (external peer reviewer, Senior Manager, IRG), Jan. 17, 2002
- (iii) Gonzalo Castro (GEF TS Biodiversity, ENV), Dec. 21, 2001
- (iv) Philippe Chardonnet (external mandatory STAP reviewer), Dec. 12, 2001
- (v) Reinhard Woytek (AFTQK, indigenous knowledge), Jan. 16, 2002
- (vi) Iraj Talai, (AFTQK, financial management), Jan. 16, 2002
- (vii) Slaheddine Ben-Halima (AFCO8, procurement), Jan. 17, 2002
- (viii) Bill Sutton (YP), Dec. 2001
- (ix) Dan Aronson (AFTES, Social Safeguard Policies), Jan. 16, 2002
- (x) Arne Dalfelt (AFTES, Environmental Safeguard Policies), Jan. 17, 2002

Written comments received prior Decision Meeting, January 19, 2004 including project team responses:

- (i) Peer Reviewer: Nicole Glineur (Sr. Environmental Specialist, MNA)
- (ii) Peer Reviewer: Juan Pablo Ruiz (Natural Resource Management Specialist, LAC)
- (iii) Jean-Michel Pavy (Biodiversity Specialist, AFR)
- (iv) Enos Esikuri (Technical Specialist Land degradation, ENV)
- (v) Christophe James Warner (Sr. Environmental Specialist, AFTS1)
- (vi) STAP Reviewer: Dr. Philippe Chardonnet

C. Other

Mission reports

- o Multi-purpose Mission BTOR and Aide Memoire November/December, 2000
- o Preparation Mission BTOR March 2001
- o Preparation Mission Aide Memoire May, 2001
- o Identification Mission BTOR November 2001 and Aide Memoire, Dec. 10, 2001
- o Preparation Mission Aide Memoire, February, 2002
- o Preparation Mission BTOR and Aide Memoire, April/May, 2002

- o Preparation Mission BTOR and Aide Memoire November/December, 2002
- o Pre-appraisal Mission BTOR, April 18, 2003 including Aide Memoire, May 18, 2003
- o Preparation Mission BTOR, December 14, 2003 including Aide Memoire, December 4, 2003
- o Appraisal BTOR including Aide Memoire February 24, 2004

Bank internal milestones in project development process

- o PDF-B Grant Agreement, June 5, 2001
- o Minutes of Concept Review Meeting, Feb. 14, 2002
- o Minutes of the Decision Meeting, January 28, 2004
- o *Negotiation, expected in March 2004*
- o *Board presentation, expected in May 2004*

Documentation of fiduciary requirements

- o Audit of PDF-B resources NNF/NACSO 2003 (09/22/2003)
- o Legal and Policy Framework (up-dated version 10/15/2003)
- o Agency procurement capacity assessment report (1st version 03/18/2003, final version 11/10/2003) by Slaheddine Ben-Halima AFTQK
- o Financial management assessment report (December 11, 2003) by Jonathan Nyamukapa

GEF milestones in the project development cycle

- o Proposal for Project Development Funds (PDF) submitted to GEF Secretariat, Jan. 5, 2001
- o GEF approval for PDF resources, Feb. 2, 2001
- o GEF approval for PCD, May 15, 2002
- o GEF CEO approval for PAD, *expected in April 2004*

*Including electronic files

Annex 9: Statement of Loans and Credits

NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

27-Oct-2003

27 Oct 2009

| | | | | | | | | Difference between expected and actual disbursements ^a | | |
|------------|----|---------|----------------------------------|------|------|------|---------|---|------|-----------|
| Project ID | FY | Purpose | Original Amount in US\$ Millions | | | | Cancel. | Undisb. | | |
| | | | IBRD | IDA | SF | GEF | | | Orig | Frm Rev'd |
| Total: | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

NAMIBIA
STATEMENT OF IFC's
Held and Disbursed Portfolio
June 30 - 2003
In Millions US Dollars

| FY Approval | Company | Committed | | | | Disbursed | | | |
|------------------|--------------|-----------|--------|-------|--------|-----------|--------|-------|--------|
| | | IFC | | | | IFC | | | |
| | | Loan | Equity | Quasi | Partic | Loan | Equity | Quasi | Partic |
| 2001 | NIB Namibia | 0.00 | 0.22 | 0.55 | 0.00 | 0.00 | 0.22 | 0.55 | 0.00 |
| 1997/01 | Namibia Life | 0.00 | 0.81 | 0.00 | 0.00 | 0.00 | 0.81 | 0.00 | 0.00 |
| 2002 | NovaNam | 9.94 | 0.00 | 0.00 | 0.00 | 6.68 | 0.00 | 0.00 | 0.00 |
| 0/94/96 | Novanam | 2.50 | 0.00 | 0.00 | 0.00 | 2.50 | 0.00 | 0.00 | 0.00 |
| Total Portfolio: | | 12.44 | 1.03 | 0.55 | 0.00 | 9.18 | 1.03 | 0.55 | 0.00 |

| FY Approval | Company | Approvals Pending Commitment | | | |
|---------------------------|------------------|------------------------------|--------|-------|--------|
| | | Loan | Equity | Quasi | Partic |
| 2000 | AEF Gateway Hotl | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Pending Commitment: | | 0.00 | 0.00 | 0.00 | 0.00 |

Annex 10: Country at a Glance

NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

| POVERTY and SOCIAL | | | |
|---|---------|--------------------|---------------------|
| | Namibia | Sub-Saharan Africa | Lower-middle-income |
| 2001 | | | |
| Population, mid-year (millions) | 1.8 | 674 | 2,164 |
| GNI per capita (Atlas method, US\$) | 1,960 | 470 | 1,240 |
| GNI (Atlas method, US\$ billions) | 3.5 | 317 | 2,677 |
| Average annual growth, 1995-01 | | | |
| Population (%) | 2.0 | 2.5 | 1.0 |
| Labor force (%) | 2.0 | 2.6 | 1.2 |
| Most recent estimate (latest year available, 1995-01) | | | |
| Poverty (% of population below national poverty line) | .. | .. | .. |
| Urban population (% of total population) | 31 | 32 | 46 |
| Life expectancy at birth (years) | 47 | 47 | 69 |
| Infant mortality (per 1,000 live births) | 62 | 91 | 33 |
| Child malnutrition (% of children under 5) | .. | .. | 11 |
| Access to an improved water source (% of population) | 77 | 55 | 80 |
| Illiteracy (% of population age 15+) | 17 | 37 | 15 |
| Gross primary enrollment (% of school-age population) | 113 | 78 | 107 |
| Male | 112 | 85 | 107 |
| Female | 114 | 72 | 107 |

Development diamond*

Life expectancy

GNI per capita

Gross primary enrollment

Access to improved water source

Namibia

Lower-middle-income group

| KEY ECONOMIC RATIOS and LONG-TERM TRENDS | | | | | |
|--|---------|---------|------|------|---------|
| | 1981 | 1991 | 2000 | 2001 | |
| GDP (US\$ billions) | 2.1 | 2.7 | 3.4 | 3.1 | |
| Gross domestic investment/GDP | .. | 17.5 | 24.0 | 24.5 | |
| Exports of goods and services/GDP | .. | 49.5 | 47.6 | 53.7 | |
| Gross domestic savings/GDP | .. | 3.8 | 12.3 | 11.9 | |
| Gross national savings/GDP | .. | 21.4 | 29.1 | 28.9 | |
| Current account balance/GDP | -5.1 | 3.9 | 5.1 | 4.5 | |
| Interest payments/GDP | .. | .. | 1.0 | 1.8 | |
| Total debt/GDP | .. | 6.7 | 5.1 | 8.5 | |
| Total debt service/exports | .. | .. | 2.0 | .. | |
| Present value of debt/GDP | .. | .. | .. | .. | |
| Present value of debt/exports | .. | .. | .. | .. | |
| | 1981-91 | 1991-01 | 2000 | 2001 | 2001-05 |
| (average annual growth) | | | | | |
| GDP | 1.2 | 4.5 | 3.3 | 2.7 | .. |
| GDP per capita | -2.4 | 2.2 | 1.0 | 0.7 | .. |
| Exports of goods and services | .. | 2.9 | 2.9 | 4.9 | .. |

Economic ratios*

Trade

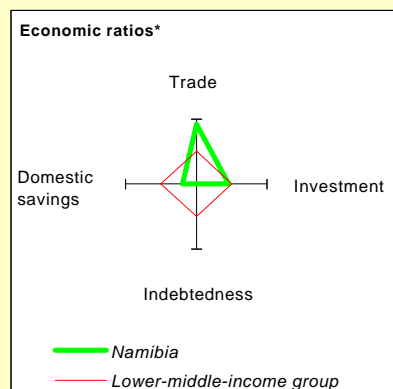
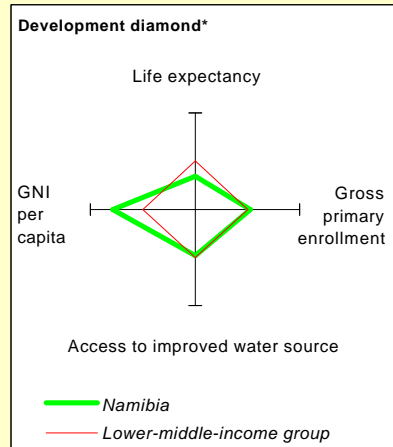
Domestic savings

Investment

Indebtedness

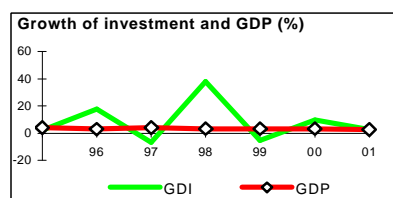
Namibia

Lower-middle-income group



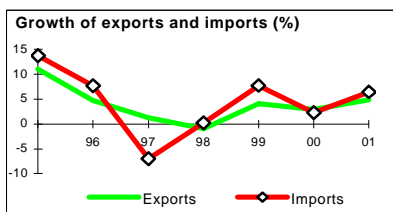
STRUCTURE of the ECONOMY

| | 1981 | 1991 | 2000 | 2001 |
|--------------------------------|------|------|------|------|
| <i>(% of GDP)</i> | | | | |
| Agriculture | 9.8 | 11.1 | 11.8 | 11.3 |
| Industry | 45.5 | 32.3 | 33.0 | 32.7 |
| Manufacturing | 10.9 | 15.7 | 11.5 | 11.2 |
| Services | 44.7 | 56.6 | 55.2 | 55.9 |
| Private consumption | .. | 65.0 | 61.2 | 59.5 |
| General government consumption | .. | 31.2 | 26.4 | 28.6 |
| Imports of goods and services | .. | 63.2 | 59.3 | 66.2 |



(average annual growth)

| | 1981-91 | 1991-01 | 2000 | 2001 |
|--------------------------------|---------|---------|------|------|
| Agriculture | 3.6 | 4.1 | 11.4 | -0.4 |
| Industry | 0.5 | 1.9 | -0.6 | 1.6 |
| Manufacturing | 2.6 | 2.6 | 4.5 | 0.8 |
| Services | 2.4 | 4.1 | 3.9 | 3.9 |
| Private consumption | .. | 1.5 | 1.2 | 3.6 |
| General government consumption | .. | 6.6 | -0.3 | 3.6 |
| Gross domestic investment | .. | 9.2 | 9.8 | 2.7 |
| Imports of goods and services | .. | 3.2 | 2.3 | 6.5 |



Note: 2001 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

PRICES and GOVERNMENT FINANCE
Domestic prices

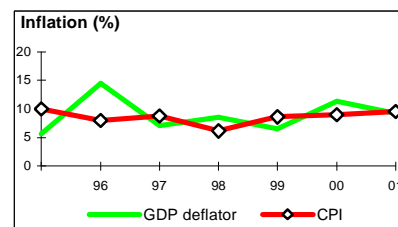
(% change)

| | 1981 | 1991 | 2000 | 2001 |
|-----------------------|------|------|------|------|
| Consumer prices | 14.8 | 11.9 | 9.0 | 9.5 |
| Implicit GDP deflator | 0.8 | 0.4 | 11.3 | 9.2 |

Government finance

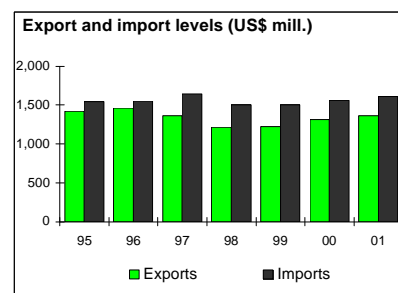
(% of GDP, includes current grants)

| | | | | |
|-------------------------|----|------|------|------|
| Current revenue | .. | 32.1 | 33.5 | 32.5 |
| Current budget balance | .. | 2.3 | 2.4 | 0.9 |
| Overall surplus/deficit | .. | -3.3 | -2.1 | -5.0 |


TRADE

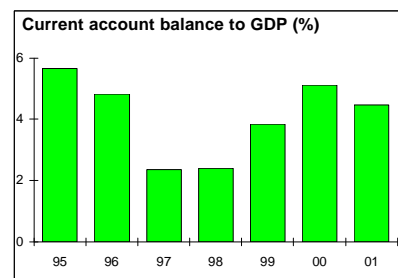
(US\$ millions)

| | 1981 | 1991 | 2000 | 2001 |
|-------------------------------|-------|-------|-------|-------|
| Total exports (fob) | 1,126 | 1,179 | 1,312 | 1,367 |
| Diamonds | 289 | 443 | 530 | 560 |
| All minerals except diamonds | 485 | 296 | 187 | 199 |
| Manufactures | 167 | 242 | 297 | 301 |
| Total imports (cif) | 1,228 | 1,228 | 1,560 | 1,610 |
| Food | .. | 263 | 334 | 344 |
| Fuel and energy | .. | 72 | 92 | 95 |
| Capital goods | .. | 407 | 518 | 534 |
| Export price index (1995=100) | .. | .. | .. | .. |
| Import price index (1995=100) | .. | .. | .. | .. |
| Terms of trade (1995=100) | .. | .. | .. | .. |


BALANCE of PAYMENTS

(US\$ millions)

| | | | | |
|-------------------------------|-------|-------|-------|-------|
| Exports of goods and services | 1,235 | 1,214 | 1,500 | 1,538 |
| Imports of goods and services | 1,617 | 1,581 | 1,902 | 1,935 |
| Resource balance | -382 | -367 | -402 | -397 |
| Net income | -124 | 97 | 122 | 127 |
| Net current transfers | .. | 375 | 456 | 409 |
| Current account balance | -106 | 105 | 176 | 139 |
| Financing items (net) | .. | -118 | -160 | -37 |
| Changes in net reserves | .. | 12 | -16 | -101 |

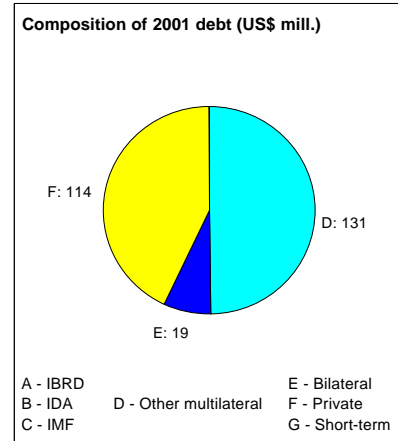

Memo:

| | | | | |
|---|-----|-----|-----|-----|
| Reserves including gold (US\$ millions) | N/A | 62 | 262 | 236 |
| Conversion rate (DEC, local/US\$) | 0.9 | 2.8 | 6.9 | 8.6 |

EXTERNAL DEBT and RESOURCE FLOWS

(US\$ millions)

| | 1981 | 1991 | 2000 | 2001 |
|--------------------------------------|------|------|------|------|
| Total debt outstanding and disbursed | .. | 180 | 173 | 264 |
| IBRD | .. | .. | 0 | 0 |
| IDA | .. | .. | 0 | 0 |
| Total debt service | .. | .. | 34 | .. |
| IBRD | .. | .. | 0 | 0 |
| IDA | .. | .. | 0 | 0 |
| Composition of net resource flows | | | | |
| Official grants | .. | .. | .. | .. |
| Official creditors | .. | .. | 5 | .. |
| Private creditors | .. | .. | 0 | 0 |
| Foreign direct investment | .. | .. | .. | .. |
| Portfolio equity | .. | .. | .. | .. |
| World Bank program | | | | |
| Commitments | .. | .. | 0 | 0 |
| Disbursements | .. | .. | 0 | 0 |
| Principal repayments | .. | .. | 0 | 0 |
| Net flows | .. | .. | 0 | 0 |
| Interest payments | .. | .. | 0 | 0 |
| Net transfers | .. | .. | 0 | 0 |



**Additional GEF Annex 11 (a): STAP Roster Technical Review
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)**

REVIEW OF PROJECT CONCEPT DOCUMENT AND UP-DATED ON BASIS OF PROJECT APPRAISAL DOCUMENT:

Integrated Community-Based Ecosystem Management (ICEMA)

REVIEWER: Dr. Philippe Chardonnet, DVM, Wildlife Manager

DATE: 31.12.2003

Terms of reference / Biodiversity

This independent review has been commissioned by the World Bank (contact person: Christophe Crépin). The standard terms of reference for Independent Technical Review of GEF Investment Projects have been followed.

KEY ISSUES

Scientific and technical soundness of the project

Nowadays, the concept of “conservancy” appears to be one of the few innovative and promising avenues for conserving and managing biodiversity in Sub-Saharan Africa. The PCD reviewed is fairly grounded in this concept. As a consequence, the project makes judicious use and takes advantage of a favorable situation in Namibia, the leading country as far as this concept, particularly of the community-driven type, is concerned.

The conservancy concept was born out of the intention to satisfy a range of needs newly raised at the turn of the century:

- Rural-dwellers felt the necessity to invent new ways of making a profit out of wilderness areas for their own benefit as alternative/complementary sources of income;
- Local conservationists, trapped in the National Parks concept, often severely confronted to negative attitudes of adjacent stakeholders, could hardly promote the expansion of the National Parks network, and needed innovative approaches to conserve biodiversity outside National Parks;
- Governments of developing countries realized the difficulty of administrating huge tracts of land (in most countries of Southern Africa, protected areas often cover a 2-digit percentage of the whole surface of the country) with small financial resources and meager expertise, in view of higher priorities such as public health, education, agriculture, without talking of security;

So far, conventional approaches did not give much opportunity to the civil society for taking and assuming a share in the global effort to conserve biodiversity. The above-mentioned needs were

more and more openly expressed, especially in the Southern part of the African continent and notably after the 1992 Rio Earth Summit. They paved the way and exerted pressure to provide the civil society with a formal role to play in biodiversity conservation. In this regard, since it is in full accord with the International Convention on Biological Diversity (CBD), the PCD could readily quote some of the relevant articles of the CBD (Stratégie Mondiale de la Biodiversité, 1994), i.e.:

- Item VIII Action 59: “augment the ecological and social value of protected areas by (i) acquiring and zoning land tracts outside the protected areas and (ii) financial incentives for conservation on adjacent private land”;
- Box 6: “...allow communities to manage their own environment. For that, the communities must obtain the rights and adequate knowledge to operate.”
- Box 7: “The costs and advantages of biodiversity conservation must be shared more equitably between nations and between citizens”.
- Box 8: “Integrate the management of biodiversity in the whole range of human activities: ... sustain private initiatives of conserving biodiversity in the private sector...”

It must be admitted that some attempts had been made in the past to relieve part of the burden from Central Governments:

- As early as 1963, just after the independence of Kenya, decentralization had been experimented by setting up National Reserves, like Marsabit NR or Shimba Hills NR, which were managed by the “local county councils”. Nevertheless they remained under the guardianship of the National Parks administration and not of the Game Department’s, then in charge of wildlife outside National Parks (Leakey, 2001);
- In a similar intention, Parastatal agencies had also been created in a number of countries such as e.g. KWS (Kenya Wildlife Service) in Kenya or TANAPA (Tanzania National Parks) in Tanzania, but the management of biodiversity outside protected areas was struggling;
- South Africa had been an exception with the successful development of commercial game ranches, however it mainly relied on white Africans rather than blacks;
- Few instances see foreign private investors sponsoring wildlife conservation, e.g. some concessions run by the private sector in Mozambique;
- More frequent cases maybe involve international NGO’s to support large protected areas, however (i) they mostly remain the “agents” of funding agencies and (ii) they too often simply substitute themselves in the position the local stakeholders should have taken.

As a result of this situation, informal activities have developed by themselves within the civil society with globally meager, insignificant or even negative results in terms of sustainability and efficiency. The time came appropriately to develop the concept of Community-Based Natural Resources Management (CBNRM). The CAMPFIRE pioneer enterprise in Zimbabwe, without a doubt, was the most significant initiative to devolve the management of wildlife on communal land to local communities. However, despite substantial and still promising results, some constraints remain within the CAMPFIRE network such as the difficulty to decentralize beyond the District level of the administration and to really transfer the appropriate authority to more grass-root levels. Recent studies have questioned the CBNRM philosophy for taking the monopoly as a single ideal and unavoidable way of managing wildlife: these recognize CBNRM as an important tool but not as a panacea (Hackel, 1999; Adams & Hulme, 2001). This brings a supplementary justification for supporting the conservancy model in Namibia.

Conservancies offer a relevant opportunity for Government agencies to hand-over the responsibility of managing wildlife outside State land. At this stage it is probably worth better defining the precise meaning(s) of “conservancy” which is maybe not that trivial/obvious by reading the PCD. It must be said that, even though the definition of “conservancy” is still a matter of debate, the resulting lack of precision does not preclude the development of the concept.

A communal conservancy consists in setting aside part or all of the land of a given community with the intention to conserve and vaporize wildlife through its sustainable consumptive and non-consumptive uses within nature-related activities. Namibia is certainly leading this kind of enterprise even though other neighboring countries have embarked in similar ventures. The dramatic development of communal conservancies which has already taken place in this country is maybe not enough emphasized in the PCD if we consider that only 4 communal conservancies were registered in 1988, covering an area of about 1.7 million ha (Brown & Jones, 1998), while they were 9 in 1999 covering 2.2 million ha (Ministry of Environment and Tourism, Republic of Namibia, 2000) and they are now 29 on 7.4 million ha. It might be reminded that a so-called “commercial conservancy” is another kind of concept and consists in aggregating two or more adjacent private properties in a single wildlife management unit without abandoning individual ownership of the land. By the way, the term “commercial” may preferably be replaced by the word “private”, as community conservancies also are intending to pursue commercial goals.

The PCD provides a more than useful up-date of the current conservancies’ situation in Namibia. By doing so, the PCD mainly focuses on their financial viability according to the usual schemes of Northern countries. Eventually, the PCD does not take much into account nonfinancial benefits of CBNRM which admittedly “are less tangible, harder to measure, but from the perspectives of social development and ecosystem sustainability, can far exceed financial benefits in significance” (Ashley, 1998). These include “(i) capacity-building and empowerment, (ii) more secure livelihoods, (iii) cultural and aesthetic values of wildlife and local traditions, (iv) enhanced natural resource base and (v) political, social, economic and environmental benefits at the national level” (Brown & Jones, 1998). Despite being difficult to assess, these benefits should be taken into account in (i) the decision-making process and (ii) the M&E procedure of the project. They should also become part of the panel of indicators, which are otherwise well defined in the PCD. One particular acknowledgment: the demand-driven service to conservancies planned by the project is very relevant, while too many projects elsewhere adopt a sole and risky “product-driven” approach.

As far as the definition of conservancies is concerned, two particular situations are worth mentioning in the region of Southern Africa and may be of interest for the project:

- Some game ranches claim being “conservancies” probably because of the fashionable and attractive concept, even though they cannot apply being such due to their functioning as a single-property venture, usually with little concern towards rural development;
- To the contrary, interesting experiments should claim to be truly conservancies, for joining either communal and commercial or even State land. Perhaps, one demonstrative example may be the Kruger NP case where large tracts of fence have been pulled down between the National Park itself and adjacent commercial wildlife ranches, thus allowing a better ecosystem approach to

wildlife management.

Identification of global environmental benefits

Namibia has the originality of having a great variety of biomes in which communal conservancies have already been established for a few years. It also offers varied climatic conditions: insufficient and unreliable rainfall have largely maintained land-uses to activities such as hunting and gathering, pastoralism and low-density livestock ranching, and led to a relative absence of agriculture, therefore conserving large tracts of largely intact natural habitats.

Namibia is definitely a leader among African countries in terms of biodiversity conservation, not only of endangered species but in terms of sustainable utilization of common species and products. In this particular country, the existing and often abundant wildlife resource precisely offers the opportunity to develop a holistic approach to conservation and sustainable development through sound innovative management schemes. And the ICEMA project is well designed to do so.

It may be stressed that Namibia is especially hosting (i) taxa of critical importance & (ii) issues of global relevance. To quote a few:

- (i) The human vs. wildlife conflict has been tackled for a long time in this country, with mitigated success (Stander *et al.*, 1997), e.g. predation by the Namibian cheetah, world's largest population of the taxon, still poses problems to the livestock industry, whether commercial cattle ranches or communal pastoralists (Marker-Kraus *et al.*, 1996). The conservancy model brings an opportunity to revisit conventional approaches towards large predators in coexistence with man. A similar approach is expected with elephants.
- (ii) Common in Namibia, desert & semi-desert environments have shaped drought-resistant flora & fauna through millenaries of harsh co-evolution. Exotic species such as domestic animals and crops have not gone through this natural process. With the development of adaptive sustainable-use management practices in conservancies, natural habitats can be rehabilitated and maintained and their products given added value, giving new development opportunities to rural communities.

All things considered, the project will fund the promotion of biodiversity conservation by supporting the development of the already launched and on-going process of conservancy-building. In this manner, it fits very well with the GEF goal, which is precisely to provide funding to cover incremental costs of activities in favor of biodiversity.

Regional context

The prospect of setting up a network of conservancies in Namibia, as proposed by the PCD, sounds very attractive. One could have hoped to extend the network to the already existing conservancies in neighboring countries, i.e. Botswana, South Africa and Zimbabwe. Zimbabwe certainly is a prominent country as regards commercial conservancies and some of them have gained international recognition, as for example one of first ever created, the Save Conservancy.

The recently launched SADC “*Transboundary Natural Resource Management Areas*” program

would provide the project with an appropriate framework for linking the various experiences of conservancies throughout the region (Cumming, 1999; Griffin *et al.*, 1999). It involves five SADC countries including Namibia. Funded by USAID and implemented by the Africa-based NGO AWF (African Wildlife Foundation: head-quartered in Nairobi, outpost in SADC zone), the program intends to set up a continuum of wildlife management areas linking classic protected areas (National Parks, Wildlife Reserves, Hunting Blocks, etc.) through corridors in open areas. The so-called Okavango/Caprivi/Chobe/Hwange TBNRM area would make a single management unit stretching from Caprivi in Namibia to Hwange NP in Zimbabwe. For those of the Namibian conservancies falling *de facto* in the regional program area, a partnership between the project and the regional program seems more than consistent.

SADC may be a partner to take into consideration, even though USAID is mentioned as one of the bilateral funding agencies. Other TBNRM areas are under study at this very moment throughout the SADC region.

Replicability of the project

The project development objective and the project global objective are obviously replicable. All rural communities suffer from a lack of technology transfer from one community to the other, of information concerning the new products which their land offers either for on-site value added transformation, or for local, national or even export trade. Most communities are not aware of these possibilities offered by far away markets, and lack the capacity to address them. Local management and business planning proficiency, including elementary accounting, banking opportunities, etc. are capacities which can be developed at the conservancy level, therefore enabling decisions to be taken locally, rather than being transferred to central Government administrations.

The project's objectives in the real of communication must not hide the reality, which is in fact an asset, that, within one country and even more so from one African country to another, the very nature of "conservancies" covers a wide variety of concepts, covered by different laws and regulations, socioeconomic conditions, natural environments, successes and failures. The project, which is aimed at implementing integrated ecosystem management through conservancy networking, can fill the ever-present lack of communication between rural people. Those people are generally not equipped with modern means of transmitting information, which in many cases, many would not be able to write or read anyway. But, what is more important yet is that people who live from the land need to see with their own eyes what is being done by others on their land and have the opportunity to ask pointed questions relating to their problems at home and make up their own opinion as to applicability of what they have seen. Reciprocal visits on site between communities are very much in demand and should be an essential tool of the networking effort.

It must be remembered also that farmers and pastoralists who have survived in marginal habitats are careful people, and that, unless they are put under external or survival pressure to degrade their land, they will take their time to adopt new avenues and techniques which will ensure sustainable utilization and development. They should be encouraged to diversify the possibilities of harvesting and giving added value to the biodiversity present on their land, in order to improve

their food and economic security, as well their ecosystems' stability.

As mentioned above, the project can obviously and indeed should be adapted to all countries of the SADC Region. Furthermore, there seems to be no reason not to adapt it in some Central and Western African countries, where initiatives are already being taken in the domains of protected areas, wildlife management, sustainable forestry, etc, in some cases on a transboundary basis.

SECONDARY ISSUES

Linkage to other focal areas

Namibian law and regulations are meant to define what conservancies are and what their rights and obligations are with respect of Government and its agencies. These conservancies were initiated through a series of "socio-ecological surveys" in 1993. The framework, which evolved, was published in the Gazette of the Republic of Namibia in 1996 (no. 1333 & no. 1446). The conservancy policy of the Government has shown to be flexible in its approach, leaving to communities decisions of how to use their income, how to agree on geographical limits with their neighbors' territory, etc. But has it fully resolved in each conservancy the crucial issue of land tenure, and has it left grazing for domestic stock on communal lands mainly with open access management systems? A similar question applies to the (exclusive?) ownership of wild flora, especially of high value wild plants with already existing or potential export value. This situation is rightly targeted by the project, which addresses the possibility of rangeland degradation, overgrazing and possible unsustainable use of natural resources. The analysis of situations within the last five years would certainly be interesting for all stakeholders, and suggestions from the ground up worth studying and passing on to members of the conservancy network.

On another point, enterprise development aspects could possibly gain from solutions adopted in Zimbabwe. The peculiar legal status of "CAMPFIRE Company" allows local communities at any level, even the Ward or the Vidco, to set up, register and run their own enterprises.

Other beneficial or damaging environmental effects

Multispecies approach of conservancies allows for more stable land-use systems, ensuring biodiversity conservation on a long term basis, in comparison with the fragility of enterprises based on monospecific schemes, e.g. cattle industry.

Multiple use approach gives greater security to conservancies, which can fall back on other activities, if one of them, such as tourism for instance, is slowed due to externalities, such as international travel hazard for example. Risks can be spread over:

- (i) the primary sector, such as wildlife meat and skins and other veld products,
- (ii) the secondary sector, such as handicrafts, biltong, etc.
- (iii) the tertiary sector such as tourism.

The project should help local communities in obtaining better terms of trade in all sectors. As a general rule, by helping conservancies to secure economic viability will also safeguard the

resilience of the ecosystems.

Degree of involvement of stakeholders in the project

Seen from a distance, the selection of MET as the authorizing agency for the project is obvious. A “project office”, under the auspices of MET, will be responsible for the project management: this option looks sound. Appropriately, this project structure also plans to involve a wide range of other stakeholders with expertise in the various fields of activities covered by the ICEMA project. Several advantages are seen in such an institutional arrangement outsourcing some of the project activities: (i) cost saving, (ii) sharing out the burden, (iii) accountability of operating agencies, (iv) sustainability of the project once ended, since the operating agencies already in place will still be there, etc.

As a general observation, the project gives a lot of importance to the public sector (institutions). Admittedly, the amount of funds granted to the administration components is rightfully lower than the budget allocated to the conservancy components. However, it still appears comparatively quite high for a project advocating to promote and network communal and private sectors.

To my view, an institutional risk lies in the temptation for the Government agencies, or the obligation imposed to the project office, boosted by the project support:

- (i) to exert excessive control on conservancies, for instance invoking the “precautionary principle” to abusively restrict sustainable use of resources, while not assuming the costs of wildlife and habitat monitoring,
- (ii) to require from conservancies excessive reporting obligations which appear too often in the PCD columns. To my experience, some Zimbabwean conservancies have been complaining for being harassed by bureaucratic enquiries, technical and economical questionnaires, etc.

To prevent such risks, more preliminary assumptions should appear in the PAD for guaranteeing the beneficiaries to be able to express themselves in the most favorable context. Being fully understood that conservancies will obviously have to strictly act within the legal context, they should however not be constrained by a project framework promoting undue interference of the public sector in the civil society (communal, associative and private). The consequences would not only be counterproductive to the project itself, they may also eventually destabilize the blooming conservancy concept. As recently shown/stated by Richard Leakey (Leakey, 2001), former World Bank funded wildlife projects in Kenya have demonstrated (i) the importance of such agreed preliminary assumptions and (ii), even more importantly, the necessity to respect them in the implementation process, otherwise not only project setbacks but even negative impacts may result.

Capacity-building aspects

Experiences show that decentralization to the lowest level faces a critical constraint: lack of capacity.

Proper techniques of range & wildlife management already exist in Namibia and should be fully utilized. Nevertheless, as pointed out in the PCD, some improvement may certainly be sought

after. The practice of destocking and savings mechanisms in time of severe drought may be developed. It may also be appropriate to launch/develop spin-off added value small industries as complementary sources of income and employment for local development. Enterprise building, accounting, cash flow awareness, as well as marketing experience and exchanging knowledge in these domains is needed by communities, as much as increasing their competence in range and wildlife management, habitat restoration and enhancement, etc. As a particular example, communal conservancies could receive appropriate training to negotiate by themselves (i) their hunting lease with concessionaires and safari operators & (ii) their harvest quota with the administration.

In Zimbabwe, the practice has proved successful for the central administration (i.e. DNPWM, the Department of National Parks and Wildlife Management) to entrust skilled conservancies with the task of safekeeping particular species of national/global importance. So-called “National Game”, such as rhinoceros or wild dog, are handed over by budget-strapped National Parks, under heavy poaching pressure, to intensively managed conservancies under better control. In Namibia, the project could raise awareness (and build up the relevant professionalism) as to the role of conservancies in safekeeping and care of rare or threatened species of national or global importance.

Innovativeness of the project

With no doubt, innovativeness is the prominent feature of the project due to its support to the conservancy model, which in itself is an invention of the turn of the century, as far as conservation of biodiversity is concerned.

Another issue is appropriate to be addressed here, i.e. the responsibility granted to civil society to assume a substantial and consistent role in wildlife conservation. Communal conservancies will take it upon themselves to fulfill a duty usually ascribed to the public sector. This is indeed a new venture of importance not only to Namibia, but to the international community also.

Although not stated in the PCD, the project remains in line with the CBD which is fully supportive of any relevant innovations for conserving biodiversity, e.g. Box 8 (Stratégie Mondiale de la Biodiversité, 1994):

- “adopt new policies and accounting methods to encourage the conservation and equitable utilization of biodiversity;
- ...develop innovative, decentralized and reliable means to raise and efficiently spend funds;
- sustain initiatives for conserving biodiversity in the private sector.”

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Annex 11(b): Up-dated Response to STAP Technical Review (December 2003)

The STAP Review is generally very supportive of the project rationale and particular innovative approach and design in the context of the conservancy movement of Namibia. A few issues have been rightfully highlighted and some suggestions for improvement made. They have all been now addressed in the present Project Appraisal Document. Responses to comments as well as indications of how and where improvements were made in the Brief/PAD are provided below (in italics).

Scientific and technical soundness of the project

Para. 3: *The STAP reviewer's listed additional articles of the CBD of relevance to community-based conservation and sustainable utilization have been included in the Project Brief. (See B 1a, p. 5)*

Para. 5: CBNRM has to comprise freehold and communal conservancies: *The project as additional support to the National CBNRM Program supports in principle linkages between communal and freehold conservancies. However, ICEMA targets only communal conservancies although its component 3 provides for technical assistance to review the National CBNRM program strategy and overall institutional set-up.*

Para. 6: Definition of Conservancies : *It needs to be clarified that contrary to the STAP Review comments that conservancies offer an opportunity for government agencies to hand-over responsibility of managing wildlife outside State land the Namibian communal conservancies are operating on State land. The proposed definitions of conservancies have been added to the Project Brief (See A 1, p. 3) but slightly modified with regard to the commercial conservancies. It is correct that both types of conservancies are pursuing financial and socio-economic goal. It is therefore proposed to use the term "freehold" conservancies instead of "commercial or as suggested private" ones.*

Para. 7: Non-financial benefits of CBNRM: *The suggested benefits can be found in the Project Brief under C 3 and are included in the conservancy screening tool.*

Identification of Global Environmental Benefits

Para. 3: Taxa of critical importance and issues of global relevance: *The listed examples have been included in the Brief on p.5 under B1a.*

Regional Context

Para. 2: SADC Transboundary NRM Areas: *USAID's support to the project provides for close linkages and synergies between the proposed GEF project and the SADC Transboundary Project in particular for those conservancies that will be targeted in these respective areas .*

Linkage to other focal areas

Para. 1: Land tenure in individual conservancies: *This is clearly a critical and very important issue and challenge for Namibia. The project component 3 aims to harmonize the legal and policy framework for the national CBNRM program including a focus on land tenure and land rights in Conservancies. During project preparation, a first pilot study on biodiversity conservation and land-use has been jointly implemented with the Ministry of Environment and Tourism and the Ministry of Lands Rehabilitation and Resettlement. This study has led to the development of an initial project concept to elaborate a MET hosted WB/GEF supported MSP (PESILUP) which is expected to concretize the recommendations made.*

Degree of involvement of stakeholders in the project

Para. 3: Importance of public sector: *Obviously, there is a fine line between public and non-public sector on which the project will move forward but it needs to be understood that a) in order to achieve sustainability and the necessary legal and policy provisions including (land tenure) the government needs to be involved and strengthened (in particular MET) and b) the government funds are not sufficient to meet all demands.*

Para. 4: Reporting requirements for conservancies: *There is full agreement that conservancies should not be overloaded with excessive and difficult reporting obligations. The previous experiences in Namibia have shown that besides designing simple procedures, adequate capacity building of CBNRM support organizations leads to less administrative procedures and cost-effective, demand-driven services to conservancies.*

Capacity-Building Aspects

Para. 3: Entrust skilled conservancies with task of safekeeping special species of global importance: *The project fully supports the idea of raising awareness among conservancies in this regard. Actually, during preparation, a first workshop on safekeeping rhinos within communal conservancies took place in Damaraland in November 2001 with the participation of all key stakeholders (government, NGOs, conservancy representatives, donor programs, NACSO).*

Innovativeness of this Project

Para. 3: CBD articles relative to innovations for conserving biodiversity: *The relevant articles have been added on page 5 (B1a).*

**Additional GEF Annex 12: Policy framework for National CBNRM Program
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)**



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Mr C Crepin
Senior Regional Coordinator and Team Leader
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The World Bank Group
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20433, USA

Dear Mr Crepin

**SUBJECT: LEGAL AND POLICY FRAMEWORK FOR CBNRM IN
NAMIBIA**

Enclosed is a revised summary of the legal and policy framework that influences and supports the national Community-Based Natural Resources programme in Namibia. This is by no means an exhaustive analysis, but the main legislation and policy instruments concerning environmental and natural resources within the CBNRM context, are covered.

If you require additional information or clarification please do not hesitate to contact me.

Yours sincerely


PN MALIMA MP
MINISTER



REPUBLIC OF NAMIBIA

MINISTRY OF ENVIRONMENT AND TOURISM

THE CURRENT LEGAL AND POLICY FRAMEWORK FOR THE NATIONAL CBNRM PROGRAMME IN NAMIBIA

The Ministry of Environment and Tourism in particular, and the Government of the Republic of Namibia in general, have in place a comprehensive range of legislative and policy initiatives designed to support and guide the full implementation of Namibia's national programme on community-based natural resource management towards its objective of broadening and including the participation of communities and other stakeholders in the conservation, management and utilization of its natural resources. The list reviewed below is not inclusive of all national legislation and policies supporting CBNRM, they nevertheless represent a broad sample of existing initiatives, especially with respect to the framework developed by the MET.

1.0 CONSTITUTIONAL FOUNDATION OF CBNRM

Namibia is one of very few countries in the world that enshrines the concept of environmental protection in its Constitution. Article 95 (1) of the Constitution states the following: "The State shall actively promote and maintain the welfare of the people by adopting policies aimed at the following: Maintenance of ecosystems,

essential ecological processes and biological diversity of Namibia and utilization of living natural resources on a sustainable basis for the benefit of all Namibians, both present and future”. The National Community-based Natural Resource Management Program (CBNRM) is coordinated by the Ministry of Environment and Tourism (MET) and its mission is to “provide and coordinate information and technical support communities and stakeholders for sustainable natural resource management and utilization to improve the livelihoods of all Namibians and to conserve biodiversity”. This mission is built upon the foundation of the national Constitution that fully recognizes the importance of environmental protection and the prudent use and management of our natural resources for the benefit of all Namibians both in the present and future.

The MET in accordance with the Constitution has adopted, implemented and will continue to develop policies to enhance and protect Namibia’s fragile environment while producing economic benefits for Namibians in the present and the future. The Ministry sees the National CBNRM program as an important mechanism for implementing goals and policies to fulfill the constitutional obligation of utilizing natural resources for the benefit of all Namibians including those living in rural communities and who were previously disadvantaged.

Recognizing the present narrow focus of CBNRM on conservancies, the MET as a matter of policy supports the broadening of the scope of the CBNRM programme away from its initial emphasis on conservancies and wildlife tourism to include all relevant aspects of community-based resource management, e.g. including water, medicinal plants, agriculture and rural livelihood development and small scale mining among others. To this end efforts are being made to integrate other government ministries and agencies into the management and coordination of the national CBNRM programme.

2.0 LEGISLATION AND POLICIES IN SUPPORT OF THE NATIONAL CBNRM PROGRAM

The legal basis of the national CBNRM programme is grounded within existing legislation as well as official policy documents of the MET. There is also a number of draft legislation and policy initiatives that are pending that will provide additional support to the national program.

The principal legislation governing the operation of the national CBNRM programme and in particular the conservancy programme is the Nature the Nature Conservation Amendment Act of 1996 (Act No. 5 of 1996) and the Nature Conservation Ordinance (Ordinance 4 of 1975). In addition, legislation such as the Game Products Trust Fund Act of 1997 (Act No. 7 of 1997), the Namibia Tourism Board Act (No. 21 Of 2000), the Forest Act (No. 12) of 2001 and the Namibia Environmental Investment Fund Act (No. 13) of 2001 contains provisions in support of or of consequence to the CBNRM program.

Policies of the MET governing and/or affecting the National CBNRM Program include Namibia's 12 Point Plan for Integrated and Sustainable Environmental Management, the Wildlife Management, Utilization and Tourism in Communal Areas, Conservation of Biotic Diversity and Habitat Protection, Land Use Planning, Tourism White Paper, Environmental Assessment and the draft Parks and Wildlife Management Bill.

2.1 Nature Conservation Amendment Act (Act 5 of 1996) and the Nature Conservation Ordinance (Ordinance 4 of 1975)

The Nature Conservation Ordinance of 1975, as amended in 1996 is the basis upon which wildlife conservation and matters related thereto were developed during the last thirty years. It covers areas such as game parks, nature reserves, wild animals, problem animals, inland fisheries and indigenous plants. The amendment of 1996 broadened the scope to include the establishment of conservancies and wildlife councils within communal areas. This amendment returned the rights over wildlife and tourism to occupants of communal lands but did not address other rights over biodiversity and other resources.

Currently most of the areas within the ambit of the Nature Conservation Ordinance of 1975 are out of date and need to be revised and or repealed. This is currently being done through the drafting of a Parks and Wildlife Management Bill. The draft inland fisheries Bill, referred to elsewhere, which when approved will replace that section of the Nature Conservation Ordinance dealing with fish and fisheries in inland waters. The environmental management and the waste management and pollution control Bills will cover areas such as environmental assessment and waste-management, not covered under the Ordinance. The overall objective of these initiatives is to put in place a comprehensive legislative framework aimed at the long-term conservation and protection of biodiversity and the environment within Namibia utilizing mechanisms such as the national CBNRM program.

2.2 The Game Products Trust Fund (Act No. 7 of 1997)

The Game Products Trust Fund (GPTF) was established as an Act of Parliament with the objective of raising and allocating funds to conservancies, wildlife councils and protected areas to finance projects and activities for wildlife conservation and management as well as rural livelihood development and resolution of conflict situations between wildlife and people. The main source of revenues for the GPTF is the proceeds from the sale of ivory stockpiles and other game products, as well as hunting concessions on a periodic basis. The GPTF is also authorized to raise funds from appropriations by Parliament through the national budget, from domestic and foreign benefactors and from interest from investments. The conservancies through the CBNRM program have been and will continue to be the main beneficiaries of the fund.

2.3 Namibia Tourism Board Act (Act No. 21 of 2000)

The Namibia Tourism Board (NTB) Act established the NTB to promote the marketing of the tourism industry locally and overseas. In doing so the NTB is authorized to register and prescribe facilities designed for tourist accommodation and to charge levies on individuals and enterprises operating within the tourism sector to finance its activities. Tourism enterprises associated with the CBNRM Programme are subject to regulation by the NTB, and are included in the marketing and promotional activities of the NTB. Community-based tourism enterprises will have to be registered, pay registration fees and an accommodation levy. It is not anticipated that the operation and financial viability of such enterprises will be compromised through the payment of such fees and levies.

2.4 The Forest Act (No. 12 of 2001)

The Directorate of Forestry of the MET is responsible for implementation of the Forest Act of 2001 that replaced the Forest Act of 1968. The new Act deals with issues such as administration of forest reserves and their management, environmental protection, utilization of forest products and enforcement of the law. Under forest management, the Act states that its purpose is to conserve soil and water resources, maintain biological diversity and produce forest products in a manner that will protect and enhance the natural environment. This will require the establishment and maintenance of forest inventories and the production and implementation of forest management plans. Restrictions are to be placed on harvesting of forest products, hunting, mining, construction, road building, agriculture, livestock grazing and soil removal within forest and nature reserves. Some of these provisions will also apply to conservancies when and where forested areas are included within their boundaries. Additionally, the Forest Act makes provisions for the declaration of Community Forests where management responsibility as well as the rights to the benefits from such forests are granted to communities. These communities could also be the same as represented in the conservancies.

With respect to environmental protection, the Minister of Environment and Tourism is empowered to declare and/or establish protected areas after consultation with the Minister of Lands, Resettlement and Rehabilitation, the Minister of Agriculture, Water and Rural Development and other interested parties including conservancies where relevant. The Act also allows for the creation and alteration of forest reserves, forest management areas and nature reserves. A nature reserve would be the highest level of protection to be afforded under the law. The created protected area will be for the protection of soil, water resources and biological diversity. Vegetation within or close to waterways and on sand dunes will be protected by restrictions to be placed on the cutting and removal in such areas.

2.5 The Namibia Environmental Investment Fund Act (Act No. 13 of 2001)

The Ministry of Environment and Tourism (MET) and its partner organizations recognized that the government's budgetary resources are limited and are being sought after by a large and varied constituency. These agencies concluded that the financing of environment and natural resources activities cannot be met solely from the public coffers. The NDP1 identified the need for new and innovative financing outside of government control and specifically made provisions for the establishment of an Environmental Investment Fund to secure long-term financial support for the activities and programs designed to protect Namibia's fragile environment while contributing to its economic development. Act 13 of 2001 was therefore adopted to make provision for the establishment of the Environmental Investment Fund of Namibia (EIF) to raise financial resources within and outside of Namibia to provide support to environmental and natural resource protection and management programs in Namibia. It is a statutory and independent entity outside the public service and has clear and separate roles and function from any GRN body or entity.

Although not the only beneficiaries, the EIF would be able to provide for financial support to conservancies and community-based natural resource management and tourism operations in the rural areas. Funds for the EIF will be raised from local levies and fees, from the proceeds of investments, from foreign donors and from long-term endowments set up by the board from its resources and through agreements with international donors. It will support the conservation and protection of environment and natural resource, preserve the national biological diversity and provide economic support to the poorest sectors of society. The EIF will only provide support to projects and activities that actively demonstrate and support this concept.

2.5 Namibia's 12 Point Plan for Integrated and Sustainable Environmental Management

The 12 Point Plan was approved in 1993 as a five-year management plan for the Directorate of Environmental Affairs (DEA) and subsequently became the basis upon which the environmental and natural resource conservation policies of the MET have been developed and implemented. The Ministry is responsible on a national level for environmental planning, coordination and protection. Within this broad framework its mandate includes strategic planning and coordination of environmental conservation, establishment of environmental and conservation concerns within national policy, coordination of land use planning and community-based conservation programs, and the development of policies, plans and legislation to give legitimacy to the above areas.

The objectives of this plan include promotion of sustainable development, maintenance of ecological life support systems, protection of biotic diversity, review and improvement of environmental legislation and enforcement, and training and education of Namibians in environmental issues and management. This is a broad framework document which gives guidance on policy options for environmental planning and

management, conservation and institutional and international relationships but it is dated and in need of review and updating.

2.6 Conservation of Biotic Diversity and Habitat Protection

The Conservation of Biotic Diversity and Habitat Protection Policy was approved by MET in 1994. It recognizes that the loss of biological diversity will reduce stocks of natural capital including gene pools, species richness, habitats and ecosystems and negatively alter the landscape and its ability to sustain people's livelihoods. This was the situation in most of the communal areas that are now the geographic location of most conservancies.

The policy requires the MET to ensure that protection is afforded to species and subspecies, ecosystems and natural life support systems. Strategies for implementation of this policy include the conduct of research and monitoring activities, support for and participation in the prudent management of natural resources, enactment and enforcement of legislation, and cooperation with other institutions and agencies involved in biological diversity and habitat protection actions. Effective implementation of this policy must include the conduct of activities within present and future conservancies.

2.7 Wildlife Management, Utilization and Tourism in Communal Areas

The MET in 1995 approved the Policy on Wildlife Management, Utilization and Tourism in Communal Areas. This policy and the policy on the establishment of conservancies were also approved by Cabinet in 1995 and are therefore national policies. The Nature Conservation Amendment Act (Act No 5 of 1996) referred to previously, and which provides the legal authority for the establishment of conservancies was a direct outcome of this policy.

The main objectives of the policy are:

- a. To establish an economic system for the management utilization of wildlife and other renewable natural resources for the people living on State-owned communal lands;
- b. To redress historical disadvantage by providing the rights available to private commercial farmers to those living on communal lands; and
- c. Allow communities living on State land to operate tourism and other ventures on these lands and therefore benefit financially from wildlife.

The policy was designed to broaden the economic opportunities available to previously disadvantaged peoples and to provide incentives for the development of more efficient resource management options for water and land resources. The rights bestowed on the conservancies are however limited to control over the wildlife i.e. game mammals and birds and not over all the biological resources. This would in turn result in the protection of the wildlife by the beneficiaries and therefore a reduction in the level of

poaching. The benefits to be derived from policy implementation include increased wildlife numbers, improvement of habitat, reduced incidence of poaching and stock theft, and greater cash income and profits.

2.8 The Tourism White Paper and the Tourism Policy

Cabinet approved a White Paper on Tourism in March of 1994. This Paper was developed by the Ministry of Environment and Tourism and reflected the main findings, conclusions and recommendations contained in the National Tourism Development Plan for 1993 to 1997. In 1999, the MET produced a draft of its tourism policy which when approved by Cabinet should become the official policy for guiding the development of the industry from the perspective of the public sector. This draft policy is currently under further discussion and review by the various interested parties before it would be submitted to Cabinet.

The strategic aim of the policy is to develop tourism into a central economic activity, generating income and employment on a sustainable basis with due consideration of the environmental, social and cultural issues. In the strategic objectives of the White Paper, it was stated that tourism utilized a wide range of natural resources, which, with the exception of water, are in abundance in the country. Government is to ensure that developments within the industry take place in a careful manner with attention being paid to the scale and location of developments.

2.9 Community-Based Natural Resource Management

The MET, recognizing that tourism could bring social, economic and conservation benefits to previously disadvantaged populations in communal areas, established and approved its Community-Based Natural Resources (CBNRM) Policy in 1995. This policy returned the rights to wildlife or game species to the conservancies and their members but did not do the same for biodiversity as a whole. Under the current policy the Ministry is obligated to:

- a. actively provide opportunities for rural communities, local people and the informal sector to increase their involvement in the tourism industry;
- b. create the legal mechanisms and incentives to ensure greater opportunities for rural communities, local people and the informal sector to benefit from tourism activities on their land;
- c. ensure that no development takes place without the participation of the people to be affected;
- d. encourage cooperation between the formal and informal tourism sectors in a socially responsible and sustainable manner; and
- e. ensure that development of the community-based tourism sector is environmentally sustainable.

The use of conservancies as a tool to implement community-based tourism and

involving the previously disadvantaged communities in the management of natural resources is specified as a policy objective. This will involve more and more the use of lands adjacent to or within the boundaries of national parks, with implications, both positive and negative, for biological diversity utilization and protection. Additionally, the policy proposes to establish a framework for the competitive participation of the private sector in the operation of protected areas on State lands based on the principle of “managed environmental impact”.

The Community-Based Tourism Policy required that the needs and aspirations of rural communities, local people and the informal sector must be pro-actively incorporated into tourism legislation and regulations. It further required that private sector involvement in tourism activities on communal land should include and benefit local residents and provide incentives for the conservation to those that bear the cost of wildlife and tourism. The policy requires that all plans for development must conform to the requirements of the Namibian EIA process and must be responsible in the use of water and other resources.

2.10 Land Use Planning

The policy document, “Land-use Planning: Towards Sustainable Development”, was approved and published by MET in 1994. The policy addresses issues related to land tenure and physiographic landforms, namely, communal land, privately owned commercial farmland, proclaimed State land, urban areas and wetland systems. The policy objective is to encourage the rational and integrated planning of land use based on sound ecological principles in the rural areas of Namibia including conservancies. It seeks to establish suitable participatory structures to enable local communities to participate in decision making and to take responsibility for the management of natural resources on the land they occupy in order to generate maximum benefits to the community.

The guiding principle of the policy requires that the conservation and management of the natural resource on communal land be community-based. The process should involve extensive consultation with and participation of the community with the ultimate objective of self-sustainability of the community-based management system. The development of the conservancy system and the attendant legislative process to support them is a manifestation of the successful implementation of this policy in achieving community-based protection of some of the natural resources, namely wildlife or game, on communal land.

The policy also seeks to encourage the rational and integrated planning and management of wetland systems for the preservation of biological diversity, the maintenance of natural life support systems and sustainable resource use. It requires the establishment of a national inventory and quantitative assessment of wetland resources, the identification of the benefits and values of wetlands and the regulated use of their flora and fauna. It further requires that proper environmental assessments be undertaken before and during the execution of developmental projects on wetlands. Where wetlands exist within the borders of conservancies then this policy will become relevant.

2.11 Environmental Assessment (EA) Policy and Draft Environmental Management Act (EMA)

The MET in 1995, following a period of extensive consultations with other Ministries, NGOs and the private sector, approved the Environmental Assessment Policy. It recognizes that the development of Namibia is dependent on the use of its natural resource base and that such use could lead to environmental degradation. The policy was subsequently approved by the Cabinet as a national policy.

The policy requires that Namibia maintain its ecosystems and related ecological processes, especially those relating to water supply, food production, health, tourism and sustainable development. The Directorate of Environmental Affairs of the MET currently performs the tasks associated with the implementation of the EA Policy.

Following extensive consultations with interested parties, the draft Environmental Management Bill was prepared to give legislative effect to the policy. It is now well advanced in the development process and should be passed into law within the next twelve months.

The guiding principle of the draft legislation is that all projects and programs, regardless of ownership, be subjected to compliance with the environmental assessment procedures that are in place. The cost of compliance with the process is that of the owner of the project or program. The end result of the process should be an agreement on monitoring and compliance with the mitigation measures required to reduce anticipated negative impacts on the environment by the proposed activity while maximizing the development benefits to accrue there-from. Conservancies and other CBNRM implementation mechanisms will be required to comply with the EA Policy and the EMA once it comes into force.

3.0 OTHER GRN LEGISLATION AND POLICIES WITH RESPECT TO CBNRM

3.1 National Agriculture Policy

The Ministry of Agriculture, Water and Rural Development (MAWRD) in 1995

approved the National Agriculture Policy. This is a Ministry level policy but is national in scope. The objectives of the National Agriculture Policy include:

- Achievement of rates of growth for production and farm income above that of rate of growth of the population;
- Increase in rural standard of living, profitability and investment in agriculture;
- Promotion of sustainable utilization of land and other natural resources; and
- Contribute to balanced rural and regional development based on comparative advantage.

The National Agricultural Policy undertook to review legislation and regulations concerning agriculture and natural resources and plans to repeal, amend or enact legislation in order to make them consistent with the policy and comply with international agreements. The government has pledged to promote the use of environmentally friendly technologies such as organic fertilizers, integrated pest management, draught and animal power and bush control. The policy encourages the participation of a wide cross-section of the population in agriculture and environmental issues through the application of environmental assessments and regulatory frameworks and monitoring of projects in aquaculture, agro-forestry, land development, eco-tourism and activities to combat desertification. The full enforcement of the EIA policy of the MET is endorsed.

To further promote sustainable agriculture through the protection of water resources, the policy proposed a review of the Conservation and Utilization of Agricultural Resources Act and other relevant legislation relating to pesticide use, chemical fertilizers, quarantine and phytosanitary certification. Social, community and farm forestry will be promoted and laws and regulations relating to the use and protection of forest resources enforced. The policy addresses rangeland carrying capacities and strategies for arable land use are to be examined in both commercial and communal areas and farmers advised as to appropriate sustainable land use strategies based on geographic, climatic and other factors.

3.2 National Water Policy

Cabinet approved the National Water Policy in 2001. The policy is based on the foundation that water resources and their use and management are part of the national economic and social development framework and should be fully integrated therein. It views water as being essential in the human life process, food production and agriculture, industry and the ecosystems of the natural environment. The management of the water resources should balance the allocation effectively between these various uses and users.

The use and management of water resources is to be integrated with the conservation and protection of the resource through environmentally sustainable use of the water to enhance economic wellbeing. The policy adopts a cost-effective approach to the pricing of water as a mechanism for its conservation. The prices charged will take into

account the financial cost of water, its opportunity cost and the consequences of environmental degradation. It will however be flexible enough to ensure that all members of the society have access to a minimum amount of water regardless of economic status. Economic development projects and activities, including conservancies will be required to account for the use and management of water and the effect these actions will have on the water cycle, equity and the protection of the natural environment. Legislation is currently being drafted to give effect to the policy.

3.3 National Population Policy for Sustainable Human Development

Cabinet approved the national population policy for sustainable human development in 1996. The goal of the policy is to contribute to the improvement of the standard of living and quality of life of the people of Namibia. It seeks to reduce the rate of growth to 3 percent by 2006 and further to 2 percent by 2025.

To achieve its goals and objectives, the policy sets seven targets and seven multi-sectoral strategic options. The strategy of Population Information, Education and Communication will promote environmental education with emphasis on the efficient management of natural resources within the education system and the population at-large. It calls on the MET, MAWRD and the Ministry of Mines and Energy (MME) to undertake a number of specific actions related the strategy.

The role of the Ministry of Environment and Tourism includes the following:

- incorporate environmental education into the national population education programme
- design and implement environmental education programs for the out-of-school population
- disseminate information on sustainable use of Environment and Natural Resources in rural communities
- discourage the use of wood for extensive fencing of land
- strengthen the community-based tourism industry (including conservancies)

The National Population Policy aims to achieve proper management and sustainable utilization of the environmental resources through the reduction of unsustainable consumption and production patterns and the development of appropriate policies and programs. The national CBNRM program conforms to such policy objective.

3.4 Regional Planning And Development Policy

Cabinet approved the Regional Planning and Development Policy in 1997 and its implementation is under the guidance of the National Planning Commission. This policy was designed to be an integral part of the national socio-economic policy and strategy aimed at achieving national unity, full participation of Namibians in the development process while reducing differences between the regions.

The Policy seeks to establish a comprehensive and rational regional planning framework for the decentralization process of the national government, facilitate

improved coordination between regional development institutions and activities and put in place the financial and economic instruments necessary for attaining regional goals and objectives.

The Regional and Local Councils are given authority over the administration and management of resources, including natural resources in the regions. Functions related to natural resources that will come under control of regional and local authorities include rural water development, management and control of communal lands, conservation and forest development and management. The resources within a particular region are used primarily to satisfy the basic needs and enhance the productive base of the region. Priority is given under this policy to agriculture, development of small-scale industries and the linking of rural and urban areas within regions.

Decentralization, properly managed and implemented could have a positive impact on the protection and conservation of biodiversity. Management of resources by the people who live in the region or community enables the development of a sense of ownership. Ownership generally fosters a better standard of care and protection than lack of ownership. This can be seen via the development of game numbers on privately owned farms compared to lack of a clear ownership situation as exists on communal areas. This is now changing within the communal areas following the establishment of conservancies. The conservancies and their members now have specific rights over the game resources on their land although not having total control over biodiversity as a whole.

The regional Planning and Development Policy recognizes the maintenance and augmentation of renewable and non-renewable natural resources as a priority for livelihood maintenance. The increasing degradation of agricultural lands, pastures, range-lands, forests and other vegetation cover has required the policy to pay close attention to soil, water and forest management as development tools. Among the strategies proposed are, the provision and/or use of substitute or alternative products, reduced population growth and the use of technical management systems such as soil conservation and controlled grazing cycles. The carrying capacity of the land as it relates to population, agricultural production and livestock production is to be monitored on a regular basis and adjustments made as necessary.

The demarcation of the regions, like the protected areas system, was based mainly on geo-political considerations and not necessarily on the scientific identification of biological diversity and the need to protect them. Where protection is required for particular habitats that span the boundaries of regions then a cooperative approach, including inter-regional conservancies would be better than the exercise of regional sovereignty.

3.5 Draft Inland Fisheries Bill (1999)

Inland fisheries are currently regulated under Chapter V of the Nature Conservation Ordinance of 1975. The Draft Inland Fisheries Bill (1999) when passed into law would allow for the updating and the development of new policies to conserve and sustainably utilize the inland fisheries resources of the country. Legal and regulatory authority for inland fisheries would shift from the MET to the Ministry of Fisheries and Marine Resources (MFMR).

The Bill would provide for the protection and conservation of aquatic ecosystems while promoting the use of the fisheries resources contained therein for present and future generations. Cooperation with neighboring countries in the management and conservation of these resources in shared waterways would also be provided for. Fishing using destructive methods such as chemicals, explosives and electrical devices will be prohibited. The introduction and/or transfer of non-indigenous fish species as well as the importation or export of live fish is to be prohibited.

3.7 National Lands Policy

The Ministry of Lands, Resettlement and Rehabilitation promulgated its National Lands Policy in 1998. The policy aims to promote the sustainable use of land as a natural resource. The owners and/or occupiers of land including conservancies, and regardless of type of tenure, would have rights to the exploitation of renewable natural resources such as wildlife, water, fish, forest resources and natural rangelands.

The environmental issues related to land distribution and use in urban areas are addressed via the use of the environmental impact assessment mechanism. Financial and tax incentives are also to be utilized to promote the use of alternative energy sources and the protection, promotion and rehabilitation of existing natural environments. The policy further states that failure to maintain sustainable use or the causing of any other environmental damage could be cause for the cancellation of titles.

In the rural areas, the National Land Policy assigns the responsibility for land use planning and natural resource management related issues to the Land Use and Environmental Boards which are required to consult with the Regional Land Board on issues related to land rights.

3.8 Communal Land Reform Act (Act No. 5 of 2002)

The Communal Land Reform Act (Act No. 5 of 2002) seeks to regulate the land tenure relationship between the State and those occupying communal land owned by the State. It recognizes the existence of communal area conservancies and by extension the role they play in conservation. The Act makes provision for the conversion of traditional rights to leasehold rights for periods of up to 99 years. This extensive period of tenure and the secure rights associated with leasehold will be a positive business incentive for conservancies.

Provision is also made in the Act for regulations to be made by the Minister of Lands concerning matters such as prevention of soil erosion, protection of pastoral resources, control of grazing stock, prospecting and mining operations, the building of roads and the use of water courses. These regulations, if made, will require coordination with the MAWRD, MME and MWTC as the areas to be covered also fall within the portfolio of these ministries.

The Communal Land Reform Act recognizes the existence of conservancies and offers a measure of protection against arbitrary granting of leases on existing conservancy land. The members of the conservancies as well as the conservancy itself are able to apply for leases on existing conservancy land but the leases will not be granted if it changes significantly the agreed management plans and resource use of the conservancy. The Communal Land Reform Act will definitely change the status of land tenure will also have positive implications for the conservancies and the protection of biodiversity within them.

The makeup of the Communal Land Boards makes provision for membership for one representative from MET and for one representative from the conservancies within the relevant traditional area.

3.9 Prospecting and Mining in Protected Areas and National Monuments

The Policy on Prospecting and Mining in Protected Areas and National Monuments was approved in 1999 by the MET, MME and the National Monuments Council as a direct result of the growing demand by mining companies to carry out exploration and mining in protected areas and national monuments. The objective of the policy is to promote sustainable development by guiding prospecting and mining in the protected areas and national monuments and draws its authority from currently enacted or planned legislation, institutions and administrative requirements.

The policy recognizes that the designated protected areas (approximately 14% of Namibia) contain potentially significant mineral resources that could contribute to the national economic development process. The growing tourism industry, including conservancies, also utilizes the resources contained within these areas. Unregulated mineral exploitation, as happened in the past, could result in significant negative environmental impacts including loss of biological diversity and destruction of the tourism industry. The policy therefore will permit controlled prospecting and mining under conditions that will allow economic benefits while protecting the natural environment.

Currently, the Nature Conservation Ordinance of 1975 and the National Monuments Act of 1969 place certain restrictions on access to and use of protected areas. The policy allows prospecting and mining for certain minerals, elements and rocks providing that such is in the national interest and conforms to the Mineral (Prospecting

and Mining) Act of 1992 and any future legislation on the environment. The attachment of environmental agreements to licenses, once properly monitored and enforced, should ensure that biological diversity and the environment is protected through the adoption and implementation of proper mitigation measures before, during and after the prospecting and mining operations.

4.0 ICEMA contribution to implementation of the legal and policy framework for Namibia's CBNRM programme

The ICEMA project consists of two main pillars to support the implementation of the legal and policy framework:

1. The ICEMA project will lead to increased social and economic well-being of rural areas, especially those living in communal lands by broadening the resource base and promoting ecological sound management of natural resources through sustainable and economically viable CBNRM activities in the identified areas. The project will support the institutionalization of the approaches and practical service delivery to the local community in the areas identified and into the overall national CBNRM initiatives. Central to ICEMA will be the generation of tangible benefits linked to the sustainable management of resources, including the development of income resource use schemes, e.g. through community lodges, and other tourism related activities as well as various natural resource-based enterprises. This is targeted to enhance the environment sector to play a meaningful role in the eradication of rural poverty and employment creation as set out in the national development objective.

2. Integrated Community-Based Ecosystem Management presents an opportunity to take advantage of existing and up-coming future cooperation agreements to fully explore and review policies and legislation in support of the national CBNRM programme. Therefore, ICEMA will assist the Ministry of Environment and Tourism to review the entire policy and legislative framework with the intention of updating those that need updating and the development of new initiatives based on changing circumstances. Particular attention will be paid to the Nature Conservation Ordinance and its proposed successor the Parks and Wildlife Management Bill as well as the Environment Management Bill and policy on Mining and Prospecting in Protected Areas. More coordination of policy initiatives with respective GRN ministries and agencies will also help to broaden the framework and allow coordination between national authorities for the good of the program.

In addition, the Ministry of Environment and Tourism is committed to ensure the sustainability of CBNRM activities after the ICEMA. Therefore MET's strategy is to set-up institutions capable of sourcing fund and administers project finances aimed at assisting community initiatives in the broad context of natural resource management. The EIF will serve as a local financial mechanism responsible for the mobilization of financial resources for the CBNRM activities. The EIF will then be a resource

mobilizing institution in support of CBNRM through securing long-term funding base for various conservation activities in Namibia.

Linkages achievable through ICEMA with other stakeholder activities

Assistance from GEF through the World Bank will help to consolidate progress made thus far in CBNRM in Namibia, and bring longer-term stability in the programme by enhancing MET's abilities in the fields identified. The GEF support fills a serious gap in the current funding framework for CBNRM by providing the requested support to MET that no other donor is currently providing. So far, there exists a range of donor funded initiatives in conservancy development, community based tourism development and related fields, either directly through MET or NGOs. The principal support has thus far come through the USAID LIFE project and the EU-funded tourism development programme. Further assistance will be vigorously sought to ensure co-financing from various sources. There is increasing interest from the donor community to support various CBNRM activities in Namibia. These include, among others, Denmark, Finland, France (through its intended co-financing of ICEMA), Germany, and the United States of America.

The Ministry of Environment and Tourism fully acknowledges the outstanding contributions made by NGOs and other agencies in the CBNRM field, within the overall policy framework for CBNRM as established by Government. ICEMA is, however, designed to be a project to be implemented by MET. NGOs are therefore not included in the management of this project, although MET intends to outsource non-core functions concerning CBNRM to the NGO community as well as the private sector or other institutions as appropriate. The project was designed making use of inputs from the NGO community. In this respect, the preparatory work for this project has been beneficial in clarifying priorities and relationships amongst the different role players.

Additional GEF Annex 13: Implementation and Funding Arrangements NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

1. Project implementation:

Project office: The overall project implementation will fall under the responsibility of the Project Office (PO) to be created in the Ministry of Environment and Tourism (MET), under the authority of its Permanent Secretary (PS). The PO will be headed by a Project Office Coordinator and will also comprise qualified staff to be recruited for financial and procurement management, and other technical experts, in addition to normal support staff. MET Directorates (DSS, DoF, DPWM, DoT and DEA) will guide technical aspects of the activities according to their areas of technical expertise. All core positions (Project Office Coordinator, Procurement Officer, Accounting officer) will be staffed before project effectiveness. The PO provides technical support for all day to day activities of project implementation. This includes coordination of all project planning (work plans, etc.), and execution of all procurement and financial management and project reporting. It will provide secretariat services (meeting organization, agenda, etc.) to the MET/ICEMA Steering Committee. The PO will also coordinate project performance monitoring. It will be directly responsible also for accepting, reviewing, and awarding sub-project proposals under the CFF; and providing oversight of the sub-project funds awarded to individual conservancies. The PO will have a part-time M&E Specialist attached to it, tasked with coordinating M&E activities associated with the project. The M&E Specialist will be available to all MET Directorates to assist in implementation of M&E Activities. The PO will also establish, maintain and coordinate access to the Technical and Scientific Advisory Roster of experts. The PO will support WB supervision activities, including visiting missions, through logistical assistance.

French ICEMA co-funding to this component will strengthen the Project Office with a High Value Animal Species Team (HVAS) (one national and one international expert) and with a High Value Plant Species Team (HVPS) (one national and one international expert).

MET/ICEMA Steering Committee and Directorates: MET will be responsible for ensuring the smooth and efficient implementation of the project's various technical programs. Project guidance and intra-ministerial coordination will be provided through the MET/ICEMA Steering Committee. MET's Directorates (including DSS, DoF, DPWM, DoT and DEA and others as necessary) will cooperate through the Steering Committee that will provide guidance to the technical aspects of all project activities; individual Directorates may take the lead on some activities but in general all Directorates will potentially contribute to providing technical input for all project sub-components. One role of the Steering Committee will be to ensure that such guidance is conducted efficiently, and it may thus from time to time delegate specific technical tasks to individual Directorates (in a similar fashion that MET's Management Committee currently operates). Routine meetings of the Steering Committee will be attended by all members, and the PO Coordinator.

The functions of the Steering Committee, in consultation with the Project Office, will include: (i) preparing and approving annual work plans for the project, and identifying the roles of MET's Directorates within the activities identified in that plan; (ii) developing terms of reference (TORs),

short lists, and requests for proposals (RFPs) for consulting assignments, and providing key inputs for the preparation of bidding documents, including technical specifications, for goods contracts; (iii) ensuring the PO establishes and maintains a filing system to record all documentation in relation to the project implementation; (iv) participating in bid evaluation and short-list approvals, including those associated with the CFF; (v) advising on the need for retaining specific advice from the TSAR; (vi) advising on the need for supportive research studies relating to MET policy initiatives; (vii) contributing to M&E efforts as may be called for by the projects M&E system; (viii) dealing with public relations concerns that may be referred to it by the Project Office; (ix) being available for World Bank Supervision missions, which will be scheduled to ensure that schedules are mutually convenient.

The PS MET, chair of the MET/ICEMA Steering Committee, will approve the annual work plans and budgets, after review and endorsement by the MET/ICEMA SC, as well as all official project reports.

The Steering Committee will also obtain advice by liaising with other stakeholders through a national CBNRM Consultative Forum, which will be an informal network at the project outset but which may be formalized as a permanent entity by the project mid-point.

MET'S CBNRM Consultative Forum (FN. The name of this Forum may be changed during implementation but the intent will remain as described here and elsewhere): The project will also be informed by regular meetings of an informal CBNRM Consultative Forum that is available to the MET/ICEMA Steering Committee, and that comprises members from the stakeholder community (including other Government Ministries [in particular MAWRD, MLRR, MLRGH], NGOs, conservancies, the academic community and the Donor Community *inter alia*.). This will ensure that the paradigm shift from Community-based Wildlife Management to Integrated Ecosystem Management is fully understood by all stakeholders. It is intended that through institutional strengthening under Component 3, this function may have a more formal structure by the project mid-point. Project budgets provide for regular gatherings or meetings of the forum members to exchange views. The role of such a Forum would be to provide a mechanism for discussing CBNRM issues, such that MET can more effectively fulfill its mission of implementing Namibia's CBNRM Policy. Further all issues being considered by the Implementing Directorates would be referred to the CBNRM Consultative Forum for feedback, via the MET/ICEMA Steering Committee.

Technical and Scientific Advisory Roster (TSAR): The role of the TSAR is to act as a resource available to the MET and the PO for quality control, due diligence, and risk mitigation. The role is not to engage in the oversight of the project. The Steering Committee will have access to inputs as needed upon contracting specific inputs from one or more individuals on the Roster. The Steering Committee may recommend contracting a specific advisor through an honorarium arrangement (i.e., through payment of professional fees to someone on the roster of experts to be maintained by the PO). The advisor may in turn recommend a longer term research study that is supported under ICEMA's component 3 research activities. Members on the roster will be categorized by areas of expertise to facilitate their identification for needed tasks. Areas of designated expertise will include those associated with project safeguards (environmental, resettlement, indigenous people) and will, for example, thus include at least one expert on social issues.

NGOs, conservancies and private sector : They will be eligible to participate through contracting on many of the project's activities. Other government entities may be reimbursed for services where there are established fee-for-service protocols in place (e.g., laboratory tests, inspections, marketing services). Training, decentralized M&E, and execution of sub-projects will all be facilitated by tendering such activities to these groups through standard procurement arrangements.

Of special note, however, will be their role in delivering Component 1 activities associated with the Community Funding Facility and its related technical assistance. As shown in Figure 3.2, the general organization of the project has all procurement channeled through the MET via the Project Office. In the case of sub-projects under the CFF, the PO will receive proposals from CBOs and others to undertake such small-scale activities. The proposals will have been developed using technical assistance funds that are also available through the MET PO for undertaking feasibility studies or developing proposals. In this manner, NGOs, for example, may be contracted by MET/PO to assist conservancies or others to develop detailed sub-project proposals. Once received, the sub-project proposal will be evaluated by MET and, if successful, funds will be made available to the particular CBO for that sub-project. Actual implementation of the sub-project will then become the responsibility of that CBO. Procurement and disbursement will be CBO responsibility, with various procedures being followed according to a sub-project operational manual (see CFF procedures described in Annex 19). CBO implementation will in principle be locally driven, but may require input from MET for authorizations above certain thresholds (US\$50,000) or when technical advice might be required. Reporting to the MET PO will depend on sub-project duration; short projects (<1 year) will require monthly progress reports while longer sub-projects will require quarterly reports.

Chart 1. ICEMA Project Organization within Ministry of Environment and Tourism

ICEMA Project Organization

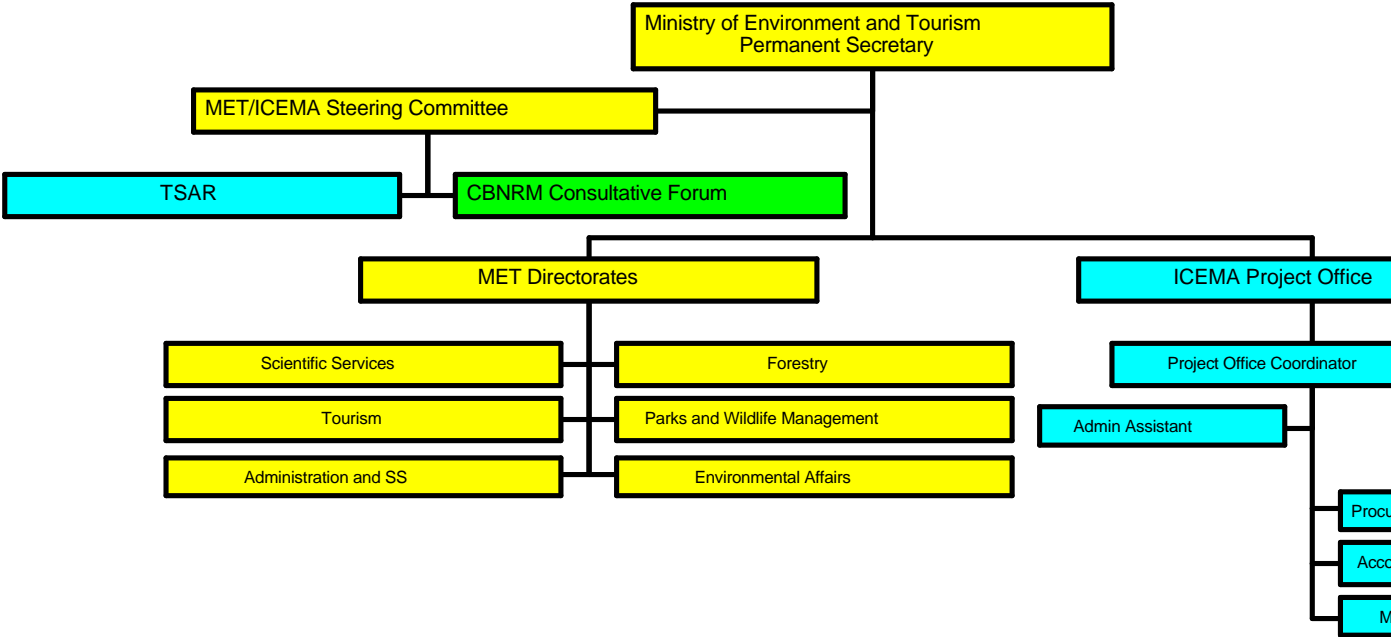
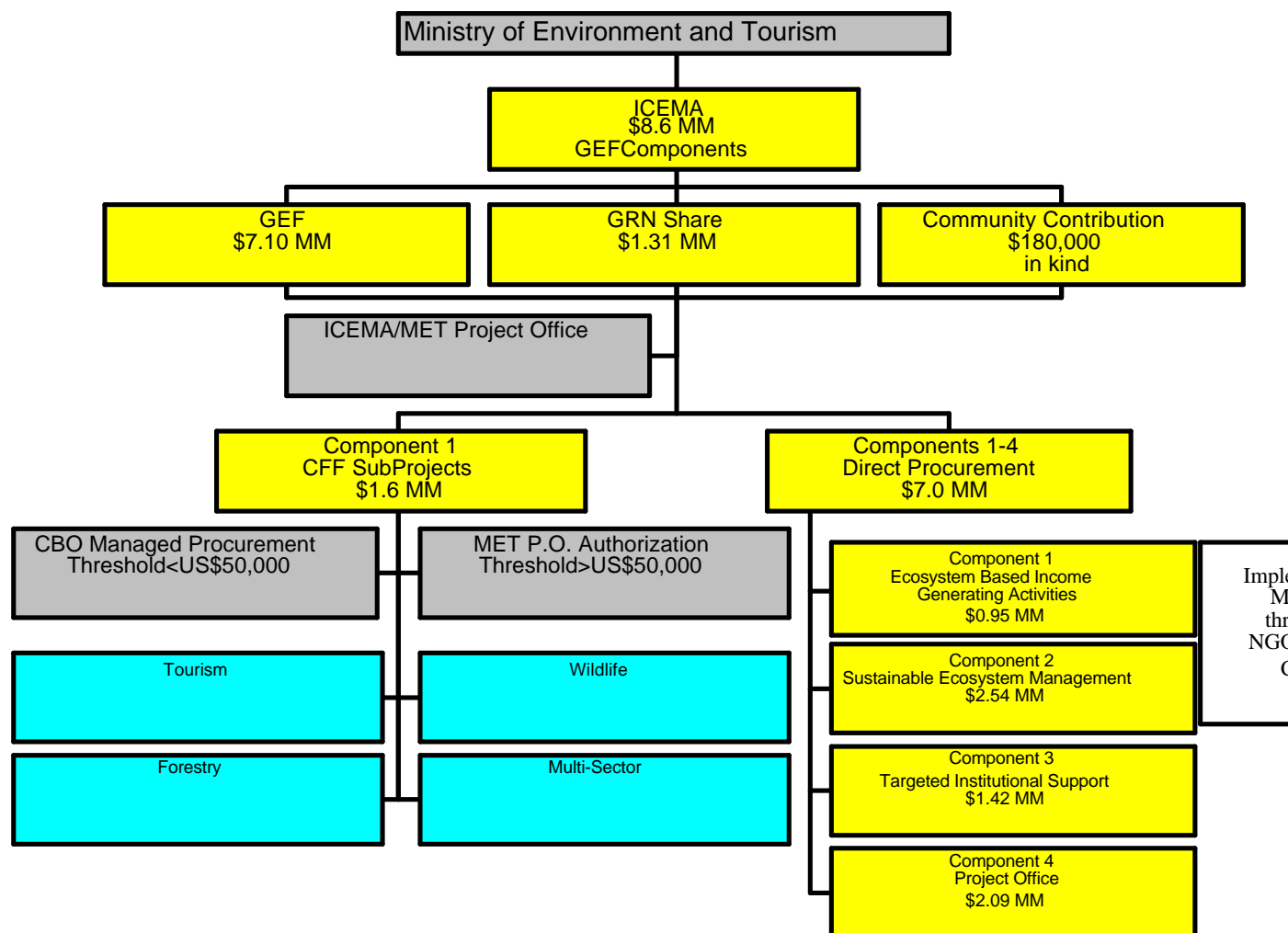


Chart 2. ICEMA Funding - GEF funded components

ICEMA Funding - GEF Funded Components



3. Flow of Funds

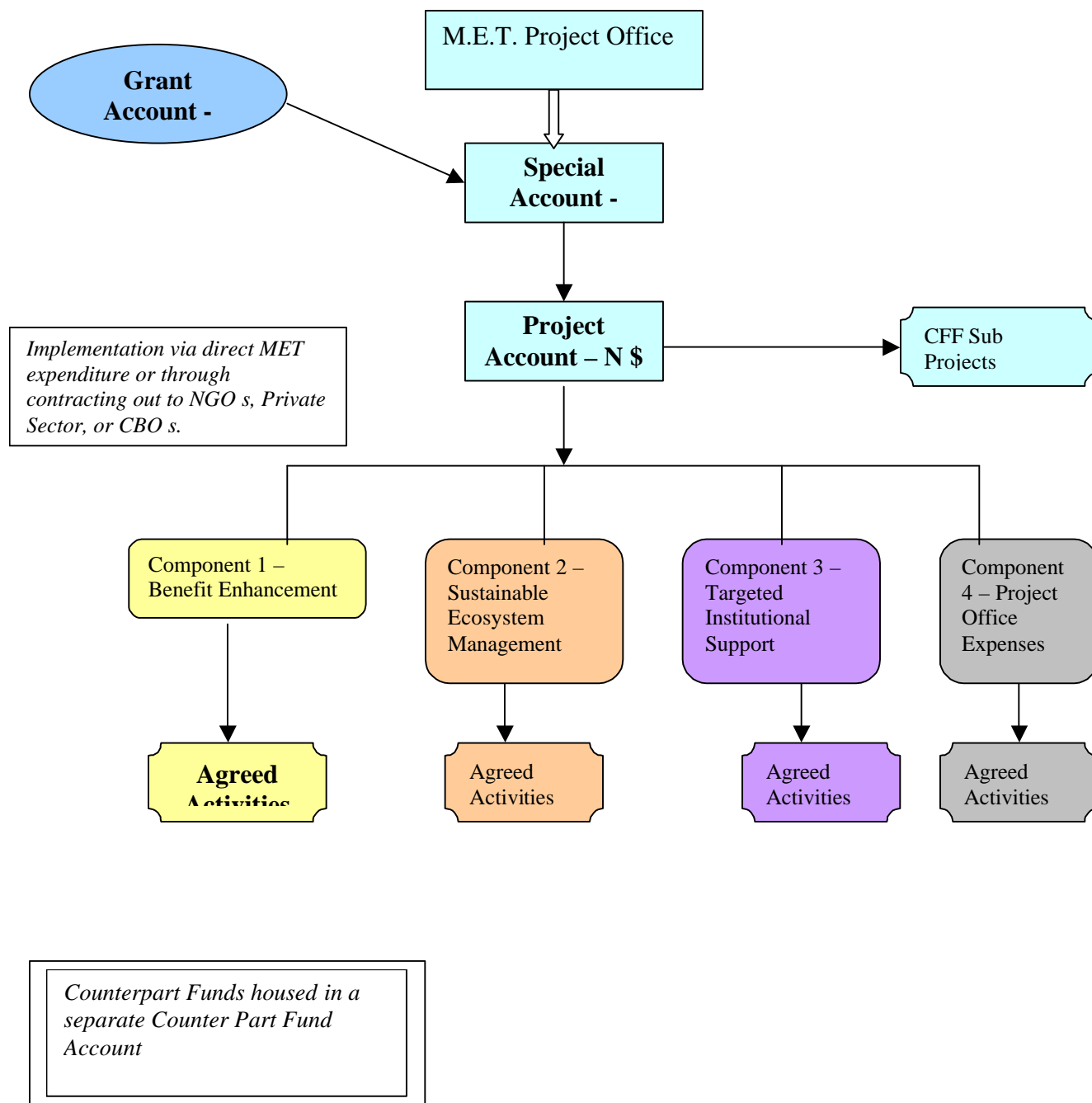
The flow of funds arrangements for the project will entail the operation of three bank accounts as follows :

- Two bank accounts to house the IBRD/GEF funds:
 - o The US\$ denominated Special Account (SA) to be operated by the counterpart and held at a local commercial bank acceptable to IBRD;
 - o A Namibia \$ denominated Project Account (PA) also to be operated by the counterpart and held at a local commercial bank.
- One Namibia \$ denominated 'Counterpart Fund' Account (CFA) to be held at a local commercial bank to house funds dedicated by the counterpart to the project.

IBRD will disburse the initial advance from the proceeds of the grant into the Special Account. Actual expenditure there-from will be reimbursed through submission of Withdrawal Applications (WA s) and against Statements of Expenditure (SOE s) which will be approved in accordance with internal control procedures to be established by the Project Office.

Counterpart funds will be allocated through the normal Central Government budgetary process, but in addition, actual cheques have to be raised and the amounts deposited into the CFA for the project's ongoing use. An initial advance from Government will also be required. This will be reinforced by VAT refunds which the Ministry of Finance agreed to credit direct to the project's counterpart fund account.

All three bank accounts should be in place by the time of effectiveness. Details of the necessary authorizations and the bank account signatories should be documented as part of the Financial and Administrative Manual.



Additional GEF Annex 14: Environmental Threats Analysis
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

| MAJOR ENVIRONMENTAL THREATS FOCUSING ON CONSERVANCY NETWORK | ROOT CAUSES | SOLUTIONS INCLUDING GEF INTERVENTION | RISKS |
|--|--|---|---|
| 1. Habitat conversion, loss, and fragmentation by competing land uses (e.g. agriculture, urban expansion and mining) | <ul style="list-style-type: none"> •Poverty, inequality and inequitable distribution of natural resources Cross-cutting root cause for all threats •Policy distortions (inducing environmental degradation) and poor implementation •Policies and market institutions fail to incorporate environmental values into decision-making •Lack of secure and exclusive group land tenure •Population pressure and settlement •Gradual erosion of the power and status of traditional leaders (open access situations) •Problem animal conflicts and inappropriate incentives | <ul style="list-style-type: none"> • Communal land reform and development of policies and strategies for equitable distribution of natural resources (Communal Land Act) (3) [Refers to the component number addressing the issue] • Coordinate and streamline all policies and programs affecting NRM, biodiversity and integrated ecosystem management across all sectors (3) • Harmonization of inter-ministerial support policies for CBNRM activities (3) • Environmental values and economic assessment incorporated in decision-making processes (3) • Effective land use planning (3) • Involving traditional leaders and local community members in integrated management of ecosystems (2) • Development and implementation of Integrated Ecosystem Management Plans (2) • Environmental Assessments (1, 2, 3) | <p>Communal land reform will not contribute to relieving pressure on communal lands</p> <p>Inadequate incentives for establishing improved inter-ministerial coordination</p> <p>Sufficient resource tenure and regulatory control over all natural resources and exclusion of outsider activity is not enabled in conservancies</p> <p>Inadequate improvement in the present resource base of farmers</p> <p>Low Environmental Assessment (EA) capacity Applies to all sections addressed by EAs</p> |
| 2. Land degradation through soil erosion, desertification and biodiversity loss (including bush encroachment) | <ul style="list-style-type: none"> •Policy distortions (subsidies for water and livestock) •Lack of secure and exclusive group land tenure •Population pressure and settlement | <ul style="list-style-type: none"> • Integration of agriculture and water management policies and strategies (3) • Improved coordination amongst governmental and NGO service organizations (3) • Holistic, ecologically, economically and socially sustainable decision-making at local level (1, 2) • Effective and decentralized | <p>Inadequate sectoral integration within MAWRD</p> <p>Failure to acknowledge and rectify fundamental ecological insights concerning the management of drylands</p> <p>Inadequate incentives exist within villages to participate in conservancy development</p> |

| | | | |
|--|---|--|---|
| | <ul style="list-style-type: none"> •Overgrazing •Altered fire regimes causing wild fires •Inappropriate farming and land use practices •Lack of institutional capacity and knowledge of appropriate land management •Short-term economic and environmental views by resource users | <p>governmental and NGO support services (2)</p> <ul style="list-style-type: none"> • Resource assessments and management and using indigenous knowledge (2) • Development and implementation of Integrated Ecosystem Management Plans including fire management (2) • National biodiversity monitoring system at national, sub-regional and local levels and integration of results into future strategies (4) • Environmental awareness raising and education • Environmental Assessments (4) | <p>Inadequate competent staff for support organizations and MET based on capacity assessment</p> <p>Resistance to change by GRN and resource users</p> <p>Conservancies turn out unable to sustain M&E systems in the long term</p> |
|--|---|--|---|

| | | | |
|---|--|---|---|
| 3. Illegal and unsustainable harvesting of wild plants, animals and wildlife products | <ul style="list-style-type: none"> •Lack of secure and exclusive group land tenure •All natural resources not covered by conservancy legislation <ul style="list-style-type: none"> •Population pressure and unemployment •Traditional customs for construction of shelter, medicinal practices, etc. •Gradual erosion of the power and status of traditional leaders (open access situations) •Unsustainable patterns of consumption, production and trade •Lack of medium and long-term planning for sustainable use of resources. | <ul style="list-style-type: none"> • Legislation on conservancies to grant communal area residents same rights and benefits over wildlife as private landowners (3) • Community Forest Reserves established and recognized as mechanisms for forest management at local level (3) <ul style="list-style-type: none"> • Development of alternative livelihood strategies based on sustainable use of natural resources (1) • Development of pattern for sustainable consumption and alternative uses (live fences, etc) (1) • Parks & Neighbours Policy to recognize conservancies on the borders of protected areas as legal management partners for GRN (3) • Devolving management and enforcement of natural resources to local level (2, 3) • Capacity strengthening of conservancies on sustainable integrated management of natural resources (2) • Development and implementation of Integrated Ecosystem Management Plans (2) • Development of management guidelines for all conservation categories applying indigenous knowledge on resource use | <p>Sufficient resource tenure and regulatory control over all natural resources and exclusion of outsider activity is not enabled in conservancies</p> <p>Policy and legislation is not adequately harmonized to enable integrated natural resource management</p> <p>Inadequate demand for tourism and wildlife based services jeopardizing income generation in conservancies</p> <p>Communal land reform will not contribute to relieving pressure on communal lands</p> |
|---|--|---|---|

| | | | |
|---|---|---|---|
| | | also (2, 3) <ul style="list-style-type: none"> • Improved protected species permit system and border control (3) | |
| 4. Unsustainable use of water resources | <ul style="list-style-type: none"> • Policy distortions (subsidies for water and livestock) • High population growth and rapid urbanization • Unsustainable irrigation development • Water consumption by certain sectors (tourism and agriculture) • Water supply design and maintenance faults | <ul style="list-style-type: none"> • Harmonization of Water and Sanitation Policy with other relevant policies (3) • Promotion and capacity building of community based Water Point Committees (2, 3) • Support to Basin Management Committees as most appropriate local level institutions for water resource management (2, 3) • Water Demand Management applied in selected communal conservancies and other conservancies (2) • Maintenance of ecological functions and values of wetlands (2, 3) • Treatment of waste water for agriculture (2) • Fog and rain water harvesting (2) • Determination and assessment of ecological water reservoirs, sustainable waterhole yields and environmental river flows (2, 3) • Development and implementation of Integrated Ecosystem Management Plans (2) • Environmental Assessments (1, 2, 3) | <p>Policy and legislation is not adequately harmonized to enable integrated natural resource management</p> <p>Communal land reform will not contribute to relieving pressure on communal lands</p> |
| 5. Climate change impacts in drylands | <ul style="list-style-type: none"> • Vulnerability due to erratic rainfall, arid country and infertile soils • Poor adaptive management and diversification capacity | <ul style="list-style-type: none"> • Improved coordination between CBD, CCC, and CCD implementation schemes (3) • Implementation of the National Drought Policy and Strategy (3) • Improved environmental monitoring systems for forecasting drought (2, 3) • Promotion of appropriate farming, technology, species, diversification for arid environments (2, 3) | <p>Poor capacity for adaptive management and livelihood diversification</p> |

Thirteen more general pressures on conservation and land management were identified (SOER Parks, Tourism and Biodiversity 2000)

1. lack of secure and exclusive land tenure
2. legal protection from development in parks and PA
3. lack of government commitment in terms of resources, financial support, training and research
4. lack of inter-sectoral co-ordination

5. inappropriate range management systems
6. lack of research into wildlife management and production
7. fencing
8. frequent fires
9. climatic change
10. social development and poverty
11. harvesting and trade in species
12. economic development
13. unsustainable government subsidies and incentives

**Additional GEF Annex 15: Socioeconomic and environmental context
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)**

2.1. Country socioeconomic and environmental context

2.1.1. Socioeconomic context

At Independence in 1990, Namibia inherited a highly fragmented, stratified and dualistic society, polity and economy. The socioeconomic disparity between different ethnic groups in Namibia is further reflected by inequitable settlement patterns. There are three major types of land tenure that occur in Namibia:

- (i) *Private lands*, found mostly in the central and more productive regions of the country, comprise approximately 44% of the country (about 6 300 farms owned by about 4 200 mostly white farmers);
- (ii) *Communal lands*, found mostly in the north, east and south central regions, encompass around 42% (about 85 % of the poor households are located in the communal areas of the north, northeast and northwest);
- (iii) *Protected state lands*, cover almost 14%.

The 1991 census data indicated that 67.6% of the population (1,8 million) lives in the communal areas, while 32.4% are resident in the freehold lands – with roughly 24% of this latter population living in commercial urban centers. Half of the population is considered to be living below the poverty line, and the top seven percent of the population account for 48% of national consumption. Income distribution is one of the most unequal in the world, with a Gini-coefficient of 0.7. By far the highest proportion of the workforce is involved in subsistence agriculture (dryland cropping and/or livestock farming). The unemployment rate is between 35% and 40%. Malnutrition rates in many rural areas are among the highest in southern Africa. It is estimated that 55 % of Namibians are below 20 years of age. The national illiteracy rate in Namibia is officially 17%, but in some of the more remote areas targeted by this project it is estimated to be as high as 40%. Gender inequality manifests itself in different forms, including differential access to resources, inheritance structures favoring men, women's exclusion from decision-making processes affecting their lives, etc. A general number for Namibia to note is that an estimated 15 – 20 percent of the population is infected with HIV/Aids and will die within 5-10 years; in Caprivi the estimate is closer to 30 percent. A recently prepared HIV/Aids impact assessment expects 20% of the teachers to die within the next 7 years. The female prevalence is 24.3% in the 15-24 age group (2001). In 1998, Namibia ranked 108 (of 173 countries) on the United Nations Human Development Index Report, considerably below South Africa's 95 and Botswana's 74 ratings.

Industries and sectors such as mining, fisheries, tourism, agriculture and livestock production (cattle and sheep), as well as energy, are currently the main contributors to the gross domestic product (GDP). These are almost entirely natural resource based and require a careful management of water and land. 1.5 % of total land is comprised of exclusive diamond concession areas. Despite stocks of strategic minerals, it is uneconomic to exploit some of them because they are located in remote areas with no infrastructure and limited water supplies.

Poverty and inequality are serious threats to sustainable development in Namibia. Both issues can be addressed directly (through provision of services such as education, health, water, energy, housing and agricultural extension or transfer payments such as pensions) and indirectly (through pricing of services, investment promotion, taxes and subsidies, and other macroeconomic incentives. Policies of decentralization and devolution of authority over natural resource management should be pursued from a point of view of poverty reduction because they tend to strengthen local-institutional capacity, increase participation of the poor, and stimulate local-level retention of benefits and cash incomes. Other means of poverty alleviation include promoting entrepreneurial drive and small-scale enterprise development; deregulating business environment to unleash absorptive potential of informal sector; and improving flexibility of the formal labor market to increase employment options and opportunities.

2.1.2. Environmental context

The country covers an area of approximately 824,000 km² and is regarded as one of the driest countries south of the Sahara with a country-wide average of less than 250 mm rainfall per year (range 5 - 700mm). Drought is a regular occurrence. Four terrestrial biomes are recognized, (i) the desert 22 % (coinciding with rainfall of <150 mm), (ii) the semi-arid thornveld savanna 70 % (150-400 mm), (iii) the dry sub-humid woodlands 8 % (400-700 mm) and (iv) freshwater wetlands. The riverine wetlands in the northern part of the country provide corridors for the intrusion of tropical flora and fauna from higher rainfall areas. These northern areas contain highly diverse ecosystems, particularly at the interface of wetlands, riparian belts and dry woodlands. They support important populations of globally threatened species, including desert elephant, wild dog, wattled crane and slaty egret. The greater part of Namibia consists of arid and semi-arid rangelands with little to no permanent surface water. These areas, while being less diverse, support the typical megafauna of Africa such as wildebeest, buffalo, giraffe, zebra, oryx, kudu, eland, hartebeest, springbok, etc. and their associated large predators, including lion, cheetah and hyena. Other areas have particularly high proportions of endemic species, endemic to both the southern African subregion and to Namibia. The southern African endemics are part of the so-called “south-west arid” zone, which encompasses the Kalahari ecosystem. Part of this ecosystem occupies the eastern third of Namibia, and the Karoo system, which extends as a tongue to just south of Rehoboth, sandwiched between the Kalahari in the east and the Namib in the west.

While 14% of Namibia has been set aside as state-controlled parks and reserves, the protected area network is heavily skewed towards the Namib biome, leaving savannas, woodlands and Karoo biome badly under-represented (only 4 of 13 vegetation types are comprehensively protected). Further, entire vegetation types are wholly unprotected and face imminent threat of degradation from the growing needs of Namibia’s human population.

Most of the valuable forests are found in the north of the country and are situated on communal land. Forests constitute an important resource for rural communities because of their wood products, habitat and potential role in providing locations for community-based tourism. Overexploitation of forests and uncontrolled cutting of trees for various purposes in the North is prevalent and woodland is cleared for shifting cultivation. State regulation of wildlife and forest products is extremely difficult to enforce due to large distances from administrative centers and

lack of government resources.

The three main competing land/resource use activities are (i) livestock keeping, (ii) wild natural resource use, and (iii) community tourism activities. Attendant with high population growth rates (in some areas as high as 3.2 %) are escalating land demands for settlement, subsistence agriculture and livestock grazing, limited mainly by lack of water. Such threats are further compounded by fragmented governmental policies that, in many cases actually promote human settlement, subsistence agriculture, and livestock production in unsuitable and highly marginalized arid and semi-arid regions of the country. In such instances, human settlers and livestock compete with wildlife for sparse sources of water and grazing in highly fragile ecosystems that should most appropriately be managed and sustainably utilized as for example wildlands for Namibia's rapidly growing tourism market.

2.1.2.1. Biodiversity

Namibia's Constitution reflects the issues of biodiversity in its articles 95 Article 95 (I) of the Constitution of the Republic of Namibia: "The State shall actively promote and maintain the welfare of the people by adopting, inter alia, policies aimed at maintenance of ecosystems, essential processes and biological diversity of Namibia and utilizing of living natural resources on a sustainable basis for the benefit of all Namibians, both present and future." The Ministry of Environment and Tourism (MET) has established a National Biodiversity Programme. The National Biodiversity Strategic Plan was completed in early 2002, and sets the financing and implementation framework for Phase III and beyond, focusing on effective implementation of the Convention on Biological Diversity through national priorities. Some clear priorities for a holistic, integrated, approach are (i) development of an integrated terrestrial framework for environmental change assessment and mitigation, as part of an early warning system involving biodiversity loss, desertification and climate change; and (ii) evaluation of the biodiversity impacts of Namibian land tenure and land use systems, including different mining, agricultural, conservation and settlement land uses. The Biodiversity Strategy recognizes that the devolution of rights and responsibilities over land and natural resources to the lowest appropriate level is a fundamental component of sustainable natural resource management and biodiversity conservation. It also recognizes that incentives for wise natural resource management, together with research, information and monitoring are other vital components of the strategy. To this end, the cross-cutting component of land-use planning and natural resource management identifies the CBNRM approach and the network of freehold and communal conservancies as an important initiative to ensure biodiversity conservation and sustainable development in Namibia. Namibia's protected areas are currently not representative of the vast diversity of the country's national assets and do not include most of Namibia's biodiversity. That means that Namibia's biomes, other than the desert biomes, are seriously under-represented. CBNRM offers the potential of extending biodiversity conservation and management beyond Namibia's protected areas network while providing at the same time for corridors through which wildlife can also safely move from one PA to another. 17 out of the 29 registered conservancies are adjacent to National Parks, thus increasing the buffer zone area around parks, as well as providing these important corridors for the movement of wildlife. Therefore the growing conservancy network is considered as a key vehicle to support Namibia's biodiversity conservation program and to deliver local, national and global environmental benefits. The evolution and growth of communal and freehold conservancies provides Namibia with an

excellent opportunity to further protect and preserve its biodiversity heritage. In many instances, biodiversity hotspots are being incorporated into emerging conservancies (e.g. the Tsiseb Conservancy around the Brandberg Mountains, the Grootberg Conservancy incorporating the Hobatere area, the Marienfluss Conservancy including the Otjihipa and Hartmann mountains), while conservancies established adjacent to existing parks and/or protected areas (e.g. Etosha National Park, Skeleton Coast Park, Mudumu National Park and Mamili National Park) greatly expands quality habitats and seasonal movement patterns for fauna. These corridors for gene flow make provision for the maintenance of viable biodiversity rich populations not only within Namibia, but also across international boundaries between South Africa, Angola, Botswana, Zambia and Zimbabwe.

Namibia's biodiversity includes innumerable species of wild plants and animals and a great variety of ecosystems. Only a small number (possibly as little as 20 %) have been described to date. There is a lack of baseline data of the diversity and ecology of Namibian flora and fauna. Birds are probably the best known group but even here are gaps in the knowledge base, especially with regard to ecological habitat requirement. Of the 13637 species, almost 19 % are endemic or unique to Namibia. Natural ecosystems provide vital genetic material (required to enhance domestic crop and livestock species) and essential life sustaining services (food, fiber, medicine, tourism opportunities, shelter, etc.) It can be assumed, that those areas in Namibia that have the highest human population and livestock densities and that have been subject to extensive land clearing are those that have suffered the highest losses in biodiversity. The importance of wildlife harvesting to subsistence economies in rural areas cannot be underestimated (33 % total household consumption in rural areas comes from wild foods). There is an important potential for wild plant harvesting (e.g. Welwitschia, Tsamma melons, Quiver tree, Mopane, Kiaat and Devil's Claw). The currently most important wild products include: thatching grass, medicinal products and veld foods (from nuts, fruits, leaves, roots and bark), meat, firewood, wood for construction and woodcarving. Direct use (marine fisheries, crop cultivation, woodlands, drylands, wetlands) of Namibia's biodiversity contributes to over 30 % of the GDP. On communal lands, Namibia's approach to preserve habitats and species and to provide income from tourism and other direct uses of ecosystem services is mainly based on the conservancy network. It is estimated that more than 75 % of Namibia's large mammals are found outside protected areas, key species such as elephants, leopards, cheetahs and antelope move freely between parks and neighboring land. Thus, privately owned farms, private nature reserves, freehold and communal conservancies compliment the national Government's conservation initiatives.

Moreover, it may be stressed that Namibia is especially hosting (i) taxa of critical importance and (ii) issues of global relevance:

- (i) The human versus wildlife conflict has been tackled for a long time in this country, with mitigated success, e.g. predation by the Namibian cheetah, world's largest population of the taxon, still poses problems to the livestock industry, whether commercial cattle ranches or communal pastoralists; the conservancy model brings an opportunity to revisit conventional approaches towards large predators in coexistence with man.
- (ii) Common in Namibia, desert & semi-desert environments have shaped drought-resistant flora & fauna through millenaries of harsh co-evolution. Exotic species such as domestic animals and crops have not gone through this natural process. With the development of adaptive

sustainable-use management practices in conservancies, natural habitats can be rehabilitated and maintained and their products given added value, giving new development opportunities to rural communities.

There are several areas of special ecological importance in Namibia which require urgent conservation protection:

1. the Kaoko escarpment including the Brandberg and nearby inselbergs and granite domes
2. the southern Namib center of endemism in the Sperrgebiet
3. the woodlands, floodplains and riparian vegetation of the perennial rivers and surrounding areas in the Caprivi
4. the mountain savanna and karstveld of the Otavi mountainlands
5. the dwarf shrub savanna of the Brukkaros crater.

2.1.2.2. Land capability, rangelands and agriculture

Namibia's status as one of the driest nation in the sub-Saharan African context, prompted to establish a National Programme to combat Desertification (NAPCOD). NAPCOD started in 1994 with involvement of rural communities, NGOs, government, donors. NAPCOD's wide range of activities include actions on the ground as working with resource users in pilot areas and national level planning and advocacy. It focuses mainly on two inter-linked purposes: Firstly, improving sustainability of natural resource use through establishment and training of Community-based Organizations, and secondly, reducing poverty through safeguarding existing as well as generating alternative sources of income. Activities undertaken in the framework of NAPCOD are predominantly targeted at communal areas. A key programme element that supports the implementation of the NAPCOD strategy is the Sustainable Animal and Range Development Programme (SARDEP). This programme was launched in 1991 to develop and demonstrate range management and improved livestock production strategies in pilot communities in the communal areas of Namibia. The SARDEP programme, NAPCOD and the associated Namibian Economic Policy Research Unit (NEPRU) are very strong allies of the CBNRM Program, and increased collaboration among partners is expected to generate strong, mutual benefits and synergies. NAPCOD managed to define a mix of four key indicators to measure the status and evolution of land degradation: population pressure, livestock pressure, rainfall variability and erosion risk (slope and soil property). Data for these indicators and remote sensing GIS images are available in NAPCOD's database.

Furthermore, NAPCOD has been involved in the highly successful "Forum for Integrated Rural Development (FIRM)" in the Grootberg pilot area (#Khoadi-//hoas Conservancy). With increased recognition of the relevance of CBNRM activities to rangeland management, desertification control, rural development, and biodiversity conservation, collaborative efforts will be strengthened to improve the policy framework for sustainable CBNRM, participatory planning and capacity-building of community-based organizations.

Namibia's land degradation processes are enhanced through prevailing patterns and variations of rainfall. During the extended dry periods plant growth slows down or stops completely, leaving soils extremely vulnerable to erosion and other processes of land degradation. As degradation continues, soils pass from grassland to bush encroachment areas to deeply eroded ground.

Nowadays, Namibia's arid savanna systems and dry woodland areas have reverted to savanna-type systems as a result of extensive deforestation. They are the most susceptible to land degradation manifested by bush encroachment, soil erosion and soil salination, causes of economic loss and escalating poverty through declining agricultural production and a loss of food security. The direct causes of desertification in Namibia are too many people and livestock occupying one place for too long contributing to overgrazing and deforestation. This leads to human migration, rapid urbanization and an increased need for the government to import food. In addition to the natural unpredictable environment, distant markets limits the development of farming in communal areas and agricultural incomes are low and variable.

Livestock is the main agricultural activity but constraints to sustainable management of rangelands is due to a lack of secure and exclusive group land tenure, and most importantly to scarce surface water. The current legislative vacuum and resulting status quo with respect to the tenure and use of rangelands is seen as a primary contributing cause of desertification in Namibia. Subsidies to communal and freehold livestock keepers (e.g. free water and fodder provision, drought subsidies, rent-free land, veterinary services, price support etc.) have put further pressure on communal pasture resources and encouraged over-stocking in the communal areas as well as increase in bush encroachment. Since the 1970's many freehold livestock farmers have moved towards mixed game/livestock farming. Prevailing man-made habitat degradation through over-stocking had reduced the carrying capacity for grazing stock but augmented fodder resources for browsers. These factors led to an increasing diversification into game farming and tourism activities (about 7% of all freehold farms now offer game hunting safaris and many more basic eco-tourism services) which helps to create a valuable buffer against drought.

Traditional mechanisms of land and resource allocations on communal land are under pressure. The gradual erosion of power and status of traditional leaders combined with slow progress in decentralization and addressing land rights issues have contributed to the development of critical open access situations. There is an urgent need for land tenure reform and redistribution, as well as comprehensive land use planning and management. Over the years, traditional nomadic pastoralism has given way in many areas to sedentary forms of pastoral land use. This led to an increasing inability of herds to track shifting grazing resources, following spatial and temporal variations in rainfall. This puts increased pressure on pastures and risks overstocking and overgrazing. Increased water availability through GRN provision had the effect of causing further degradation.

Tenure reform must go beyond any single resource such as land, particularly in communal areas, where different resource tenures (over water, grazing resources, trees, wildlife and land) and related benefit streams, livelihood systems and formal and informal local and external institutions are inextricably linked. Land tenure reform in the communal lands is being pursued through the recent "Communal Land Reform Act" which was debated for many years. In particular, the current Communal Land Reform Act introduces group tenure rights and regulates the fencing of common grazing lands by influential communal farmers. A working relationship between involved government line ministries such as Ministry of Lands, Resettlement and Rehabilitation, Ministry of Regional and Local Government and Housing, Ministry of Agriculture, Water and Rural Development, and Ministry of Environment and Tourism is in place. These ministries have

overlapping jurisdictions with respect to land, which makes it indispensable to harmonize land-related development objectives, policies and carefully coordinate actions in the present and future.

2.1.2.3. Water - the most scarce resource in Namibia

Namibia is one of the driest country south of the Sahara. Low to very low mean annual rainfall, high variability in rainfall, and very high evaporation rates combine to severely limit water supplies. All of the country's interior rivers are ephemeral, that is, they don't carry any surface water for much of the year. The only permanently flowing river lie near to, or form part of, the countries international boundaries.

An essential basic use of water is the ecological use of water to sustain critical ecosystems and habitats in Namibia. Examples of essential ecosystem use of water are rivers and wetlands such as the Kuiseb River and the Cuvelai Wetland system (the latter requires water to sustain fish, recharge, Etosha Pan and soil moisture and humidity for crop production). Water flow and recharge in the Kuiseb catchment are threatened by a myriad of small up-stream farm dams.

The lack of readily available freshwater in the interior of the country remains the most important limiting factor for development. Due to shortages in surface water, Namibia relies heavily on groundwater reserves. These reserves are subject to low recharge rates from rainfall and periodic ephemeral floods. Ground water accounts for 57 % of recorded water consumption over 80 % of which is used for crop irrigation and livestock watering purposes (but agriculture contributes only to 10% to GDP). The value added to the water used for agricultural activities in Namibia is very low when compared to that used for manufacturing or tourism and other service sector. Freshwater depletion and degradation threatens human and livestock health, ecosystem resilience and socioeconomic development. It reduces livelihood options and exacerbates rural poverty.

On communal land the widespread provision of water from boreholes for livestock and domestic use without the establishment of appropriate integrated water resource management and water demand management strategies has led to increased sedentarisation of livestock causing heavy localized overgrazing and competition with wildlife. Non-conflictual water access and use in communal areas also depends on legitimate and secure tenure arrangements in place, whereby water rights are bound-up within broader multi-resource tenure systems. An institutional framework for community participation in rural water supply and sanitation, encouraging the creation of regional-level central water committees, local water committees and water point committees has been established. It reflects government efforts towards greater decentralization of decision-making power and devolution of rights and responsibilities over NRM. In the medium and long term, conservancy committees and water point associations should be based on the same organizational structures.

Additional GEF Annex 16: Conservancy profiles and prioritization process NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

Conservancies are principally located in three regions of Namibia, i.e. the north-west (arid savanna and desert, including the escarpment zone); north-east (broadleaf woodlands and savanna in the Okavango and Zambezi River catchments), and southern Namibia (desert and arid steppe (grassland and low scrubland). The detail of conservancies in each of the three regions can be obtained from the table and map. Conservancies in all three regions are in different stages of development and have different needs and potential for development and natural resource conservation and management. All three regions are of importance to Namibia in terms of biodiversity conservation and contain a wide range of Namibian or southern African endemic species. None of the three regions are adequately represented in Namibia's protected area network, or the protected areas in those regions can not be effectively managed in isolation from adjacent land. These three regions therefore represent the priority regions for intervention through the ICEMA project and provide a full coverage of key ecosystems throughout the country.

Interventions through this project are the result of a participatory and consultative process, in which the specific situation and needs of each targeted conservancy will be considered. A phased approach will be taken, focusing on a limited number of conservancies time. Lessons learned will be incorporated in the next phase. In addition to the ecosystem approach, the projects supports cross-conservancy activities too achieve economies of scale and in recognition that some anticipated interventions may, however, benefit more than one conservancy, e.g. capacity-building and training as well as investments as the reintroduction of species.

Criteria for project intervention area:

The project will use limited GEF resources to support selected registered conservancies:

- a) with global environmentally important assets (each supported conservancy will start its planning process with a thoroughly assessment of its resource base, supported by MET's Directorate of Scientific Services);
 - b) with strong community-driven demand and ownership for the transition from a community-based wildlife management (present) to an IEM (long-term) approach (see for more details below under b1);
 - c) with strong potential for sustainability (socioeconomic, financial and institutional);
 - d) where the GEF's catalytic role (targeted global environmental priority support to conservancies; policy, legal and institutional support for shift towards CBIEM and assistance to identify, test and apply options to ensure financial sustainability for the National CBNRM Program) leads to additional leverage of resources addressing root causes and other local development needs (partnering with other projects and programs adding value to the national program) and where insufficient funds are available but financial viability is expected over time;
 - e) where contributing to the development of best practices;
 - f) in localities where community-based organizations are registered;
 - g) where scaling-up and replication is facilitated within the national CBNRM program;
- and/or

h) where it favors an integrated landscape approach and a mix of ecosystem types.

b1) The project will support the shift from wildlife-focused management (CBWM) to an integrated ecosystem approach (CBIEM) through the following elements:

(1) Strengthened legal and policy framework for CBNRM under component 3 (moving away from wildlife management as the center of the previous CBNRM) within MET (e.g. MET's revision of conservation policies into one bundled act including parks and wildlife management); but also within jurisdiction of other Ministries (e.g. Ministry of Agriculture, Water and Rural Development (e.g. for linkages to other resource uses such as rangeland management, water management), Ministry of Lands Rehabilitation and Resettlement (e.g. for improved conservancy representation within new land boards) and Ministry of Local Regional Governance and Housing (e.g. for representation of conservancies in Regional Development Coordination Committees).

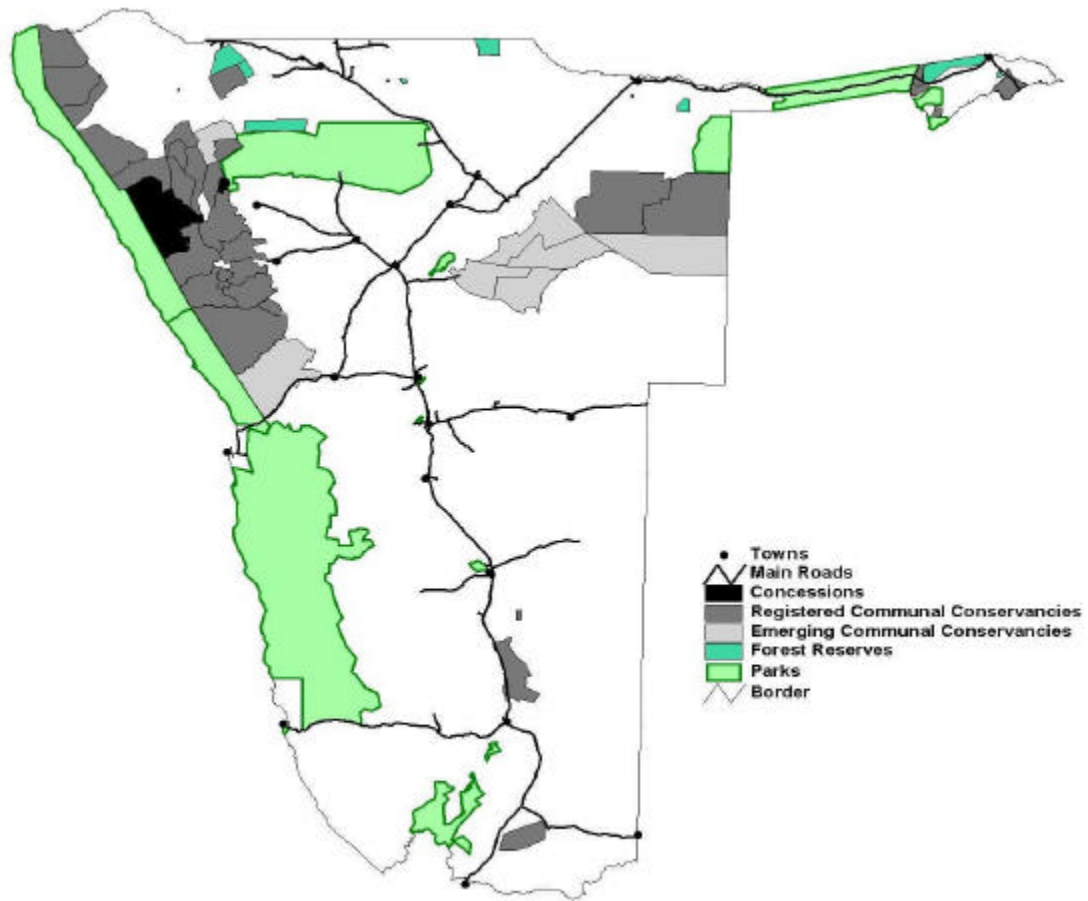
(2) Reform for CBNRM institutional framework under component 3 through: (i) the establishment of a multi-stakeholder and multi-sectoral CBNRM Consultative Forum under MET's leadership. This Forum comprises members from the stakeholder community (including other Government Ministries [in particular MAWRD, MLRR, MLRGH], NGOs, CBOs, the academic community and the Donor Community inter alia.). This will ensure that the shift from Community-based Wildlife Management to Integrated Ecosystem Management is fully understood and supported by all stakeholders; (ii) MET's institutional restructuring to move away from segmented and sub-sectoral approaches (potential merge of current separate CBNRM sub-divisions under Directorate of Forestry, Directorate of Tourism, Directorate of Parks and Wildlife Management).

(3) Direct investments for ecosystem restoration and rehabilitation measures under component 2 including plants and wildlife. These activities will build on and replicate pilot experiences under the highly successful Forum for integrated resource management (FIRM) approach (see annex 15, 2.1.2.2.) where formal linkages to other resource use schemes such as rangeland management, desertification control, fisheries, forestry and water management have been established and used for integrated conservancy planning and implementation.

(4) Targeted capacity building for conservancies and field-based support organization for integrated ecosystem planning (zoning, mapping), implementation and monitoring and evaluation under component 2.

(5) Identification and implementation of viable ecosystem-based income generating activities under component 1.

Map. Conservancies and protected areas in Namibia. Source: MET, 2003.



Map. Registered Communal Conservancies in Namibia. Source: MET, 2003.

Registered Communal Conservancies

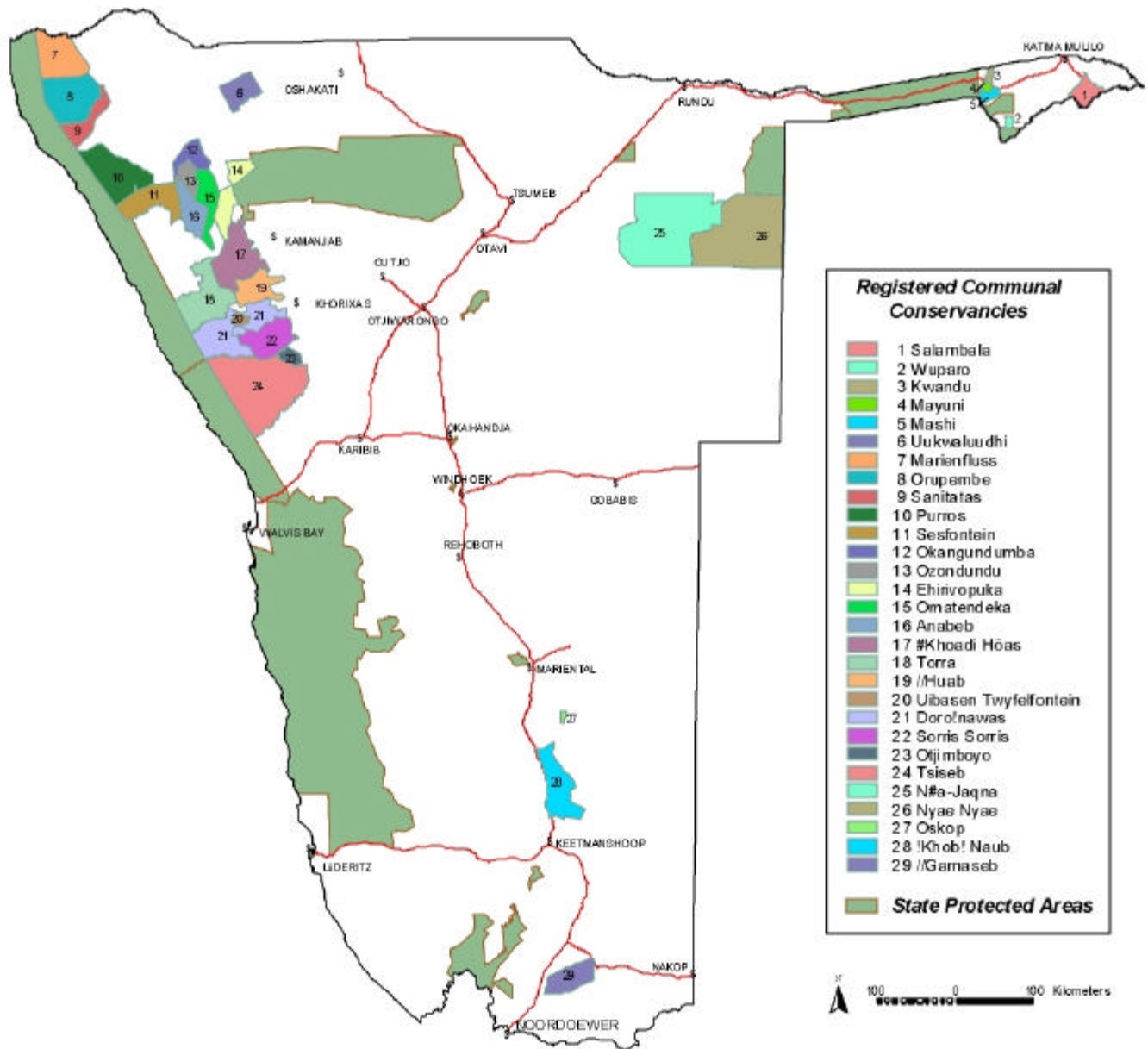


Table. Registered Communal Area Conservancies, showing first year candidate sites

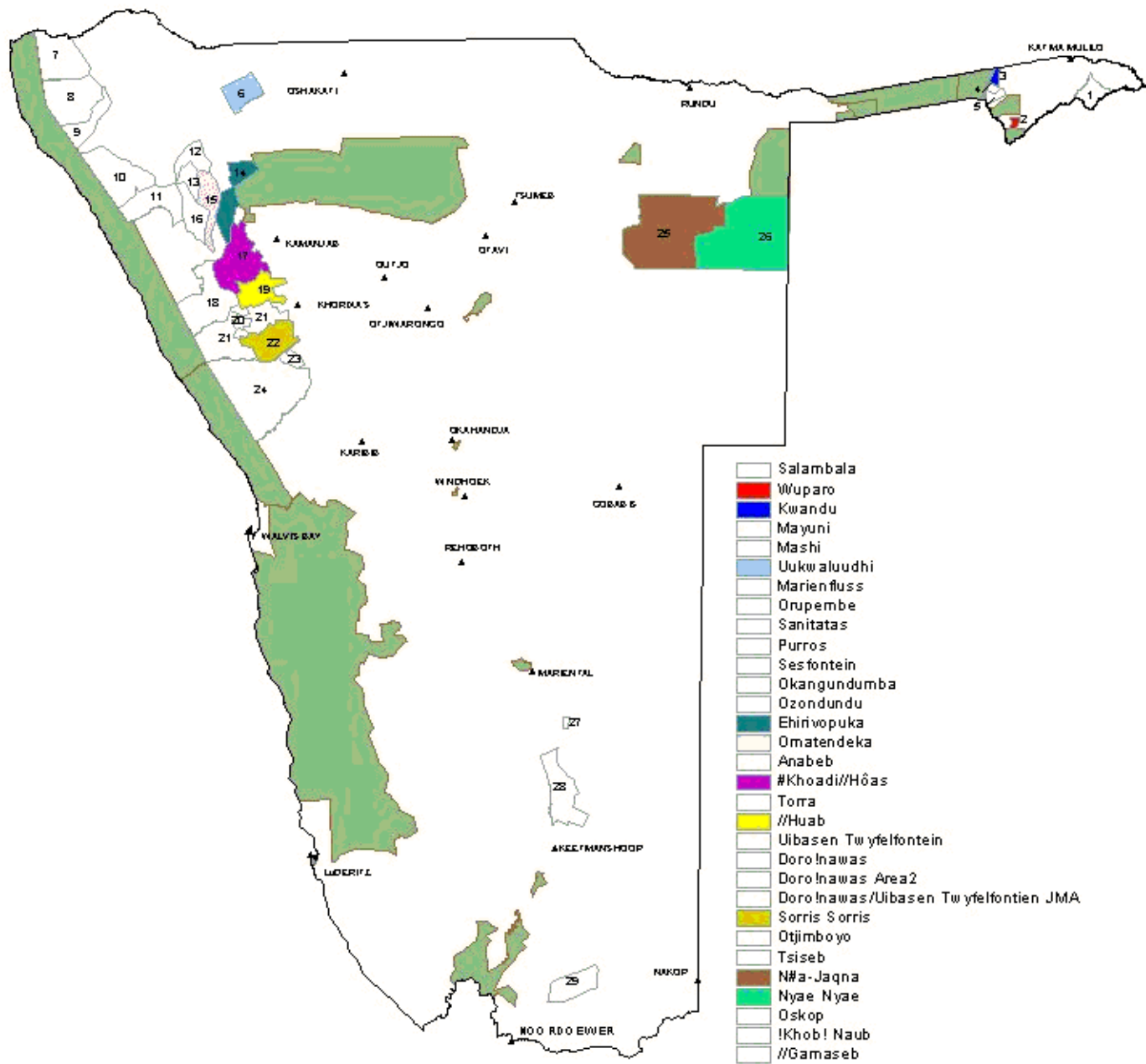
| | Conservancy Name* | Region | Biome | Date Registered | Size km2 | Total Registered Members |
|----|-----------------------|--------------|----------------|-----------------|----------|--------------------------|
| 1 | Nyae Nyae[*] | Otjozondjupa | Woodland | Feb 1998 | 9003 | 752 |
| 2 | Salambala | Caprivi | Woodland | June 1998 | 930 | 3500 |
| 3 | Torra | Kunene | Desert | June 1998 | 3522 | 450 |
| 4 | Khoadi //Hǀas [*] | Kunene | Desert/Savanna | June 1998 | 3366 | 1600 |
| 5 | Uibasen-Twyfelfontein | Kunene | Desert/Savanna | Dec 1999 | 400 | 61 |
| 6 | Doro !Nawas | Kunene | Desert/Savanna | Dec 1999 | 4073 | 430 |
| 7 | Kwandu [*] | Caprivi | Woodland | Dec 1999 | 190 | 1800 |
| 8 | Mayuni | Caprivi | Woodland | Dec 1999 | 151 | 900 |
| 9 | Wuparo [*] | Caprivi | Woodland | Dec 1999 | 148 | 1700 |
| 10 | Puros | Kunene | Desert | May 2000 | 3568 | 85 |
| 11 | Tsiseb | Erongo | Desert | Jan 2001 | 8083 | 950 |
| 12 | Ehi-Rovipuka [*] | Kunene | Savanna | Jan 2001 | 1975 | 500 |
| 13 | Marienfluss | Kunene | Desert | Jan 2001 | 3034 | 121 |
| 14 | Oskop | Hardap | Shrub Savanna | Feb 2001 | 95 | 20 |
| 15 | Sorris Sorris [*] | Kunene | Desert/Savanna | Oct 2001 | 2990 | 380 |
| 16 | Mashi | Caprivi | Woodland | Mar 2003 | 297 | 718 |
| 17 | Omatendeka [*] | Kunene | Savanna | Mar 2003 | 3565 | 374 |
| 18 | Otjimboyo | Erongo | Desert/Savanna | Mar 2003 | 745 | 148 |
| 19 | Uukwaluudhi [*] | Omusati | Savanna | Mar 2003 | 1437 | 25000 |
| 20 | !Khob !Naub | Karas | Shrub Savanna | July 2003 | 2747 | 429 |
| 21 | //Gamaseb | Karas | Shrub Savanna | July 2003 | 1748 | 495 |
| 22 | //Huab [*] | Kunene | Desert/Savanna | July 2003 | 1817 | 364 |
| 23 | Orupembe | Kunene | Desert | July 2003 | 3565 | 132 |
| 24 | Sanitatas | Kunene | Desert | July 2003 | 1446 | 76 |
| 25 | Anabeb | Kunene | Savanna | July 2003 | 1570 | 337 |
| 26 | Sesfontein | Kunene | Savanna | July 2003 | 2591 | 438 |
| 27 | Okangundumba | Kunene | Savanna | July 2003 | 1131 | 448 |
| 28 | N#a Jaqna [*] | Otjozondjupa | Woodland | July 2003 | 9120 | 782 |
| 29 | Ozondundu | Kunene | Savanna | July 2003 | 745 | 173 |
| | | | | | | |
| | TOTALS | | | | 74052 | 38063 |

* First Year candidate site.

Table. Namibia Priority target sites for first year annual work plan

| Name | Region | Size (km ²) | Populated (registered member r-ship) | Vegetation types | Biozone | Key problems | Priority actions | Status of Management Plan | Meets with IUCN/EMMA identification criteria |
|-------------|--------------|-------------------------|--------------------------------------|--|---|---|---|----------------------------------|--|
| Nyae-Nyae | Ojoana ditya | 8992 | 752 | Tree savannah and woodlands | Tree and shrub savannah | <ul style="list-style-type: none"> Disease-free buffaloes carrying capacity in camp Declining roan population Depleted wildlife resources with suitable habitat No income High potential but no integrated management plan or business / development plan CEO under-resourced, low income through CENRMA at present Not yet developed or benefiting from natural resources | <ul style="list-style-type: none"> Enlarge buffalo camp Secure roan population Develop camp for rare and common species introduction Improve management plan Develop integrated management plan Diversify revenue generating activities | Advanced | Meets criteria a, b, c, d, e, f, g, h |
| NWA Angwa | Ojoana ditya | 9120 | 782 | Tree savannah and woodlands | Tree and shrub savannah | <ul style="list-style-type: none"> No income High potential but no integrated management plan or business / development plan CEO under-resourced, low income through CENRMA at present Not yet developed or benefiting from natural resources | <ul style="list-style-type: none"> Develop integrated management plan Develop integrated management plan Diversify revenue generating activities | Rudimentary | Meets criteria a, b, c, d, e, f, g, h |
| Saris Saris | Karas | 2290 | 380 | Dwarf and acacia shrubland | Tree and shrub savannah Nama Karoo Namib Desert | <ul style="list-style-type: none"> No income No management plan No zonation Low income through CENRMA Elephant-human conflicts Diversification of revenue generating activities needed | <ul style="list-style-type: none"> Potential site for community tourist lodge Improve management plan High potential site for community tourist lodge Diversify revenue generating activities | Rudimentary | Meets criteria a, b, c, d, e, f, g, h |
| //Hamb | Karas | 1817 | 364 | Mixed shrubland Acacia halcy shrubland Dwarf and acacia shrubland Mopane woodlands Ploophlats and open veld | Tree and shrub savannah Nama Karoo | <ul style="list-style-type: none"> No income No management plan No zonation Low income through CENRMA Elephant-human conflicts Diversification of revenue generating activities needed | <ul style="list-style-type: none"> Develop integrated management plan | Rudimentary | Meets criteria a, b, c, d, e, f, g, h |
| Waparo | Caprivi | 148 | 1700 | Mopane woodlands Ploophlats and open veld | Tree and shrub savannah | <ul style="list-style-type: none"> No income No management plan No zonation Low income through CENRMA Elephant-human conflicts Diversification of revenue generating activities needed | <ul style="list-style-type: none"> Potential site for community tourist lodge Improve management plan High potential site for community tourist lodge Diversify revenue generating activities | Rudimentary | Meets criteria a, b, c, d, e, f, g, h |
| Kwaraha | Caprivi | 190 | 1800 | Kalahari woodlands of Caprivi Riverine forests Ploophlats and open veld | Tree and shrub savannah | <ul style="list-style-type: none"> No income No management plan No zonation Low income through CENRMA Elephant-human conflicts Diversification of revenue generating activities needed | <ul style="list-style-type: none"> Potential site for community tourist lodge Improve management plan High potential site for community tourist lodge Diversify revenue generating activities | Basic | Meets criteria a, b, c, d, e, f, g, h |
| Etiwapo | Karas | 1980 | 500 | Mixed shrubland Broad-leafed halcy woodland | Tree and shrub savannah | <ul style="list-style-type: none"> Next to ENTP – wildlife conflicts, Not yet developed or benefiting from natural resources | <ul style="list-style-type: none"> Add elephant conflict Improve management plan Diversify revenue generating activities | Rudimentary | Meets criteria a, b, c, d, e, f, g, h |
| Omarobaka | Karas | 1619 | 374 | Broad-leafed halcy woodland Commiphora shrubland Hemantaria Hemantaria | Tree and shrub savannah Nama Karoo | <ul style="list-style-type: none"> Human-elephant conflicts Not yet developed or benefiting from natural resources | <ul style="list-style-type: none"> Add elephant conflict Improve management plan Diversify revenue generating activities | Rudimentary | Meets criteria a, b, c, d, e, f, g, h |
| #Schob | Karas | 3364 | 1600 | Mixed shrubland Acacia halcy shrubland Euphorbia basal Dwarf and acacia shrubland | Tree and shrub savannah Nama Karoo | <ul style="list-style-type: none"> Unprotected forests, vulnerable riverine forests; Diversification of revenue generating activities needed | <ul style="list-style-type: none"> Integrate forest management to other activities | Advanced, zonation in place | Meets criteria a, b, c, d, e, f, g, h |
| Uubowalandi | Omuri | 1437 | 25000 | Mixed woodland on sand Mopane sandveld | Tree and shrub savannah | <ul style="list-style-type: none"> Limited financial benefits; Diversification of revenue generating activities needed | <ul style="list-style-type: none"> Integrate forest management to other activities Improve management plan | Basic, primary zonation in place | Meets criteria a, b, c, d, e, f, g, h |

Selected Sites



Additional GEF Annex 17: CBNRM lessons learned
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

Experiences from other African countries and in particular from other donor-funded support to the Namibian National CBNRM Program, demonstrated the need to adapt and integrate the following lessons in the project design:

a. Support conservancy governance

Conservancy organizations are partially democratic in nature. It is therefore recommended that bottom-up accountability and participatory democracy principles be developed and introduced as quickly as possible, using carefully constituted village-level organizations as the basic building-block of conservancies. This principle should be reinforced by all partners, and through all interventions, including conservancy formation, constitution development, education of individuals about democratic rights, and the development of transparent and equitable benefit sharing systems, with the latter being a powerful tool to drive bottom-up accountability.

This project further extends this principle by promoting the use of locally and democratically developed Community Based Integrated Ecosystem Management (CBIEM) plans for all target conservancies.

b. Achieve financial, social/institutional and environmental sustainability in Conservancies

Financial viability/sustainability is defined as the ability of a conservancy to cover its routine operating costs. Each Conservancy must decide whether they wish to earn income from activities such as tourism, wildlife utilization, veld and/or forest products, range and water management. A tailor-made integrated conservancy management plans should target moving towards financial viability within three to five years. The past and present analysis of tourism, hunting and other commercial opportunities suggests that this is possible in many conservancies, although in some cases where the Conservancy cannot become financially sustainable, but support is justified on the basis of other reasons, such as biodiversity conservation, additional mechanisms will be necessary (see sustainable financing section).

Lessons show that developing financial flows also requires **institutional** accountability and local governance, so this step should follow the recommendation on democratic conservancy institutions. This will bring organizational development and financial planning at center stage, organized around community livelihood and development priorities. In many cases, this will lead to tourism planning and the strategic development of enterprises, with high-value tourism and hunting partnerships with the private sector likely to be where the most value can be added fastest. Community enterprises can then be developed around these commercial nodes. The transition to viability will require an investment in planning tourism and in negotiating conservancy-private sector partnerships. Higher level technical support may be required in terms of policy and implementation support.

The capacity of conservancies to undertake planning, management and monitoring of their ecosystem will be strongly enhanced. Integrated management plans covering all natural resources, resource uses and resource users will be prepared in targeted conservancies through a permanently improved planning process (applying lessons learned from past years under an adaptive planning and management approach).

c. Establish Comprehensive but Simple Performance and Impact Monitoring at Local and National level

Lessons from elsewhere show that M&E is a powerful management tool that can improve understanding of the resource base, understating of the impacts of human interventions on the resource base, and development of new management models to improve ecosystem quality and human well-being. Simple M&E procedures that are sensitive to local conditions and capacity constraints are among the most effective, especially if they are developed in a participatory manner within an adaptive management framework. However, past evaluation of the CBNRM Program has demonstrated that the m&e system development at national and local level was not a priority and remained very limited and fragmented and not adapted to cover the move towards integrated management of resources.

ICEMA supports the development and implementation of a comprehensive process that facilitates adoption of a performance and impact m&e system that is adequate for project reporting and for local resource management needs.

d. Revise Main Delivery Systems to lower costs, increase impacts and ensuring sustainable exit strategies

There are three types of delivery systems to conservancies, (i) traditional (= wildlife) conservancy support, (ii) regulation of conservancies, (iii) rural development. Consideration should be given to reviewing and revising delivery support systems to lower costs and increase impact. Whenever possible, communities should be enabled to demand-drive this support based on their individual priorities.

Also, at a higher level, MET will outsource a majority of project activities on the ground to well recognized and highly reputable service providers (private sector, conservancy) through transparent procurement arrangements.

e. Support emergence of Regional Conservancy Associations

The emergence of Regional level Conservancy Associations should be supported. They are supposed to create a strong, legitimate advocacy related to extension and regulatory services, providing input in national policies and strategies, sharing knowledge, resources, skills and sourcing services, finance and private sector partnership through interaction at both the Regional and National levels as well as becoming cooperatives buying services and marketing products.

The project will include support to regional communal conservancy associations to enable increased collaboration and exchange of information. This will help the emerging conservancies in developing their management and objectives using the experience gained by established conservancies, pooling resources and experiences and supporting an ecosystem as well as corridor approach for wildlife movements. The project will also support the creation of a national conservancy association which will enable the direct dialogue between communal conservancies and central government.

f. Private sector and communal conservancies

The long-term CBNRM program vision developed in 2001 includes the establishment of strong and smart partnerships between communal conservancies and the private sector. Such partnerships are expected to be productive at a number of levels. Especially important will be the enabling environment for the establishment of ecosystem-based income-generation activities to return benefits to its broader membership and possibly contribute to cover the conservancy operational costs.

The project supports through its Community-Funding Facility under component 1 capacity-building for business planning, management and monitoring at conservancy and at sub-project level. Importantly, applicable mechanisms for benefit-distribution, currently not available, will be developed and assessed in targeted conservancies.

h. ENV & QAG Review of GEF biodiversity projects in Africa:

The Bank's internal reviews of GEF supported biodiversity related projects in Africa such as the 2002 Africa Biodiversity Portfolio Review (1992 - 2002); the 1997 QAG Review of Biodiversity Projects in Africa, the 1998 QAG review of the Natural Resources Management Portfolio; and the 1998 ENV Bank-wide Review of Biodiversity Projects call for:

- (i) better up-stream design including adoption of programmatic approach, emphasis on ecosystem approach and extension of conservation into production landscapes strengthen the local and global linkages as well as building incentive structures and stakeholder roles to improve the upfront demonstration of project benefit flows,
- (ii) strong commitment and capacity by Government and other stakeholders;
- (iii) mainstreaming in the country portfolio;
- (iv) setting up realistic and consensual development objectives;
- (v) putting more emphasis on legal and regulatory measures to support the permanency of institutional arrangements and a blueprint of plans and actions on how project initiatives are proposed to be sustainably translated in the post-project period;
- (vi) formulation of performance, impact and ecosystem indicators and monitoring systems to record the status, trends and rates of change in biodiversity resources;
- (vii) incorporating knowledge sharing, training activities to support long-term capacity and to promote adaptive learning;
- (viii) strong emphasis on replicability and demonstration of conservation achievements;
- (ix) coordination with NGOs; and
- (x) intensive Bank supervision.

These past recommendations and lessons are incorporated in the project design.

To ensure that new lessons learned will be automatically collected, analyzed and disseminated, ICEMA's components include various knowledge management activities which will be monitored and adapted if necessary. The objective of **ICEMA's communication approach to disseminate lessons learned and enhance knowledge sharing among all stakeholders** is to enhance and

strengthen existing initiatives and not to create project specific free-standing events.

Dissemination of information from the National CBNRM Program and ICEMA Project is important so that lessons can be shared, approaches can be replicated, when appropriate, and stakeholders can become aware of the contributions, accomplishments, and difficulties faced by CBNRM. Further, lessons learned will feed back into national decision-making processes and strategic guidance for future developments.

The project's main elements for dissemination include:

- (i) Ease of access to relevant monitoring and evaluation information, as required by decision-makers and other users, including full disclosure of non-confidential information
- (ii) Special initiatives to engage policy and operations decision-makers and stakeholders in internalizing the lessons from experience and best practices
- (iii) Requirements for the use of lessons and best practices in the development of new policies, projects and pilot approaches
- (iv) Systematic action on the follow-up of findings and recommendations that flow from the m&e program
- (v) Specific dissemination action plan for various stakeholders and partners
- (vi) Support existing efforts to document, share and disseminate indigenous knowledge, in particular through validation and valuation. Validation (apart from scientific one) includes local exchanges of indigenous knowledge, the comparison of effective and relevant practices across communities and regions, the study of the impact of application of IK on the development of communities. Valuation covers the accrual of financial and other benefits for the bearer of knowledge by providing or sharing their information. This does not necessarily have to be financial, recognition by the research establishment of the value of IK is as important, for example the support of building IK constituencies. Further, making use of the CCD program for the exchange of IK across communities (C2C - community to community exchanges).

Additional GEF Annex 18: Monitoring and Evaluation Mechanisms NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

This section highlights the primary M&E reporting protocols and requirements covered by ICEMA based on the draft m&e manual developed during project preparation. A final draft manual including references to the IPDP action plan monitoring framework will be available by time of effectiveness before the Project's Office staff including the m&e specialist will be in place. The m&e specialist is expected to review and adjust the m&e manual as necessary for the requirements to set-up the project's Management Information System (MIS).

Monitoring, as a process of systematic collection, analysis and use of data to improve project performance, outputs and use of these in the short term will serve as an important management tool to guide management and implementation at all levels. The monitoring system will be undertaken by all interested groups and key partners (MET, Communities, private/NGO sector and World Bank).

Through the Project Office, the project will maintain an information data base linked to the MIS and the logical framework. This will allow the agencies to assess and report on the quality and quantity of work at each level. In addition, monitoring will be characterized by a rapid feedback from management to operational levels to address issues arising from the analysis of monitoring information.

The primary purpose of monitoring of project implementation is:

- o To monitor progress towards attainment of targets and to adapt targets to realities
- o To provide an improved foundation for planning
- o To make sure resources are used effectively and to identify unacceptably high cost interventions and operations
- o To identify problems and find solutions at an early stage
- o To provide record of events
- o To look at 'process' of development such as staffing, capacity building and collaboration
- o To provide an information base for future evaluations
- o To maintain high standards
- o To help staff feel their work has a definite purpose.

Monitoring Methods: The following methods will be used:

- o Management information system that provides regular information on all aspects of project activities and costs
- o Management information system that provides information on expected changes
- o Periodic sample surveys that check on project parameters/elements that are critical to the achievement of project objectives
- o Occasional in-depth monitoring studies

Monitoring Framework:

| What needs to be monitored | Methodology | Frequency | By Whom |
|---|--|--|--|
| <p>1. Impact of investments:</p> <p>Indicators need to be developed for measuring:</p> <p>(a) impact on species within the target sites</p> <p>(b) impact on health of ecosystem at target site</p> <p>(c) impact on livelihoods of communities</p> | Through two sample surveys (baseline and end-term) using sampling from community information sources. | At years 1 and 5 | Overseen by te M&E Specialist. |
| <p>2. Financial and physical processes:</p> <p>Monitor and enable information based decisions regarding all physical, financial and administrative aspects of project implementation.</p> | Using a computerized Management Information System (MIS) aligned with the accounting system and financial procedures. Additional details provided in Financial and Procurement chapters. | Ongoing with periodic monthly, quarterly and annual reports | MET and others will input and utilize information. PO will provide core support |
| <p>3. Community empowerment and learning:</p> <p>Community based monitoring activities are critical for successful sub-project implementation and sustainability. The community, and its conservancy should therefore assume an active role in supervising design and implementation processes, in monitoring budget management and contractor's selection and performance, ensuring consistency with local plans, and adhering to agreed roles and responsibilities.</p> | The process of community mobilization, participation and empowerment encompasses a number of community based monitoring activities. E.g: community wide meetings, education and information events, assessment of plans, holding regular open meetings, etc. Beneficiaries will also be able to draw upon communications materials prepared under the Project and by MET to increase transparency about the program and enable them to more effectively monitor the sub-project cycle and other processes within their own locality. | Ongoing as part of participatory process implemented by MET and conservancies. | Facilitated primarily by MET PO M&E Coordinator in collaboration with the conservancies. |
| <p>4. Participatory processes:</p> <p>The participatory process in the communities is critical to the success of this program. It is therefore necessary to monitor the process and adapt the process as appropriate. The monitoring process needs to provide reports</p> | These activities will be monitored as part of M&E at the decentralized level, coordinated centrally to ensure comparability. | Ongoing especially during early years of implementation | Decentralized monitoring is a responsibility within the conservancy sub-projects. |

| | | | |
|---|---|--|----------------------------|
| on issues such as the social institutions and relationships between various groups, land tenure systems, role of customary/ traditional laws and norms, human resource development at MET and community level. | | | |
| 5. Project management: M&E activities are aimed at identifying operational bottlenecks, challenges, best practices and opportunities, and resolve them while modifying Implementation Manual guidelines accordingly. | Activities include the following: (a) Joint supervision missions, including safeguards monitoring (b) Mid-term review (c) Implementation Completion Report | Bi annually, mid-term review and upon project completion | WB team along with the MET |

Evaluation: There shall also be periodic monitoring to identify lessons that may contribute to improving the performance of similar projects and the sector as a whole. The aim is to determine the relevance and fulfillment of project objectives, development efficiency, effectiveness, impact and sustainability. There will be mid-term review and an implementation completion report, as well as monitoring of Safeguard elements.

The above forms of evaluations will be undertaken for the following reasons among others:

- o Information on actual events/practices
- o Learning for improvement of new/on-going projects
- o Decision-making on best alternatives
- o Accountability for achieving results and best use of resources
- o Sustainability for lasting benefits of investment

Evaluation methods: The methods will include:

- o Comparison of project beneficiaries before and after the project. This approach requires the collection of baseline information, especially on parameters on which the project is expected to impact. It requires, for the comparison to be meaningful, that the timing of the “after” measurements are carefully considered.
- o Frequent visits to sites during the period of project implementation activities and beyond.
- o Comparison of project beneficiaries to “control” entities/ communities (those that have characteristics similar to the beneficiaries but did not participate in the project). This is facilitated by MET’s on-going efforts to keep records on all conservancies.

Even though monitoring and evaluation have different roles, they are closely linked and mutually supportive. The two processes are expected to provide the feed back and lessons that will help the project to be steered to its set goals. There should be timely use of results of monitoring and evaluation, that is on internalizing and feeding back information from M&E into routine activities through various reports, such as the monthly, quarterly, annual field visits, and evaluation reports.

Roles and Responsibilities: All key partners and interested groups in the project would be involved in monitoring. For instance, the responsibility for monitoring and evaluation of

community micro-projects will be undertaken by the communities, the conservancies, MET, and the World Bank. For micro-projects with a duration of one year or more, quarterly reports must be submitted to MET. For micro-projects with a duration of less than one year, the frequency of reporting shall be monthly.

Monitoring by the Community: In support of community ownership of projects and sustainability, the following measures will be put in place to give communities a strong role in monitoring:

- o There will be a requirement to indicate on the community project proposal the plan for community monitoring;
- o There will be a requirement that at the project launch, the full details of the agreement will be made public (cost of project, funds available, roles and responsibilities of various actors);
- o There will also be the requirement that all project documents be available for inspection by the community;
- o Conservancies will keep communities informed at all stages throughout the project;
- o Communities will hold regular meetings to discuss project progress;
- o Communities will be assisted with a check-list and other training materials to enable them to supervise and monitor TA services, construction works and other sub-project investments;
- o a final report is required for each micro-project summarizing the findings of the TA and other service providers such as consultants.

Monitoring and Evaluation in Sub-projects: Each sub-project will have a sub-project number. In the MIS database, the sub-project number will identify each community (i.e., individual proposal), and all required information will be entered into MIS derived from the approved proposal. Data will be entered at four levels: sub-project approval, Fund Disbursement, each subsequent tranche disbursement, and upon sub-project completion.

Other levels of monitoring: The MET and the World Bank will monitor project implementation through: reports, monitoring studies, beneficiary assessments, audits and supervision missions. The key aspect of monitoring at the community level would revolve around ascertaining the extent to which implementing partners provide the requisite back-stopping support to the conservancies.

MET will monitor progress of project activities at the community levels, including, for example: base-line studies, training and extension by support agencies, quality assurance of works, compliance with procurement and disbursement procedures as outlined in the micro-project agreement signed between conservancies and MET as well as micro-project costs.

MET would monitor project performance and assess project impact on site management and biodiversity conservation.

Auditors (external) and World Bank will monitor MET performance with procurement and disbursement procedures, as well as the legal and audit covenants established in the Grant Agreement.

Activity Indicators: Performance indicators have been developed for each activity in the project, and are linked to the project cost summaries as shown in section A and annex 1. These indicators

relate entirely to the output from the individual activities, and do not attempt to assess the final impacts of the activity (which depend also on other activities and the overall environment in which the project is taking place). The indicators are generally of one of the following types:

- o Capacity enhancement measures for activities involving training
- o Completion on-time and within design parameters for activities involving works
- o Delivery on-time and within specifications for activities involving goods
- o Publication or dissemination of material for activities involving consultancy services with publishable deliverables
- o Assessment of effectiveness for individual sub-projects, and adequate dispersion and representativeness for aggregate sub-projects

Financial Indicators: The primary financial indicators for the project are those that directly relate to procurement and disbursement activities. While all of these are important, special attention needs to be paid to the following as they relate to the Grant Agreement:

- o Disbursement Category Maximums. Each disbursement category in the project has a maximum expenditure limit against which the project will disburse. These limits apply to the project as a whole (not to a single year). Exceeding the limits requires a re-allocation of expenditure categories which will require approval of World Bank management.
- o Procurement Methods Maximums. Procurement method maxima apply to some procurement methods, notably the simpler forms involving local shopping or force account. While these methods are in principle allowed for moderate-sized expenditures following within the individual purchase thresholds, doing so may cause the cumulative threshold (maximum) to be reached before project completion. In that event, more complicated bidding procedures may be required even for subsequent small purchases.
- o Sub-project Rules. Sub-projects are eligible for 100% disbursement. The reason for this is that it is assumed that communities will often provide other services in cash or kind, in the form of time, services, or land. Some monetary value should be attached to this local contribution for reporting purposes, and to indicate the impact and leveraging effectiveness of project funds.

Summary information on the design features of ICEMA's M&E system

(i) *Resources* to support the development and implementation of the m&e system at national and local as well as at PO level have been earmarked in project components 2, 3 and 4.

(ii) *PDF B resources* were used to fund (i) a pilot study to collect data for the development of biodiversity and other key ecological indices in selected conservancies, (ii) the development of a m&e manual in consultation with all stake holders; the development of an initial CBNRM and ICEMA's communication strategy, thereby providing the framework for knowledge management and learning processes.

(iii) The *monitoring framework* concentrates on measuring impact of GEF investments, financial and physical processes, community empowerment and learning, participatory processes and project management.

(iv) An *annual external audit* of the m&e system will provide for quality enhancement and adaptation of the indicators and the system.

(v) *Local level m&e plan*: The project will support targeted conservancies within the expanding national conservancy program. It is expected that each targeted conservancy, after having received adequate training, will develop and implement a specific, tailor-made and participatory M&E plan based on a detailed baseline assessment of the current resource/ecosystem status and impact.

(vi) The project supports the recruitment of a part-time *m&e coordinator* for the set-up and overseeing of the national, regional and local level m&e system.

(vii) *Training workshops* right from the beginning will ensure that the system is understood and owned by all partners (MET staff and targeted conservancy members).

(viii) *Specific project performance monitoring*: The PO will monitor progress towards achievement of the development and global project objectives, project outcomes, and activities using the progress reports, approved work programmes and the overall logframe indicators presented in Annex 1. The Project performance monitoring will be carried out using the management information system (MIS) that provides information on all aspects of project activities and costs as well as procedures established in the m&e manual such as periodic progress reports. There shall also be periodic monitoring to identify lessons that may contribute to improving the performance of similar projects and the sector as a whole. The aim is to determine the relevance and fulfillment of project objectives, development efficiency, effectiveness, impact and sustainability. There will be mid-term review in (2006/2007) and an implementation completion report, as well as monitoring of Safeguard elements. The recommendations of the Mid-Term review will be incorporated in the work programmes for the remaining years, and final evaluation completed at the end of the Phase. The progress reports will address the following operational items regarding the success of the project implementation (i) extent of achievement of outputs, (ii) carrying out of activities, (iii) delivery of inputs (staff time inputs, training events, investments), (iv) possible changes in the programme environment and their effects, and (v) expenditures vs. budgets based on the agreed breakdown structure (e.g. recurrent, investments, training, consultancies).

Additional GEF Annex 19: Community-Funding Facility (CFF)
NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

The ICEMA project's on-the-ground actions (component 1 and component 2) will be targeted to communally managed lands that focus on Namibia's conservancy network. The project builds on the encouraging achievements of the National CBNRM Program related to community-based wildlife management activities but focuses on a broader range of sustainable ecosystem based livelihood options that can generate long term benefits. Its overall objective is to contribute to increased socioeconomic benefits to community members from the sustainable use of their rich and diverse ecosystems.

The community-funding facility (CFF) under its component 1 provides funds directly to registered communal conservancies (and potentially, if and when they are established at some future date, registered community-forests) for ecosystem-based income-generating activities that generates equitable benefits to their conservancy members. The closely inter-related **sub-components of its component 1** are:

(i) *Community Funding Facility (CFF)*: The sub-component includes delivery of sub-projects (micro-projects) to eligible conservancies that will be used to fund appropriate sustainable use community-based sub-projects for multiple benefits to the community and ecosystem. CFF criteria will target a diversity of sub-projects in wildlife, eco-tourism activities (such as community-campsites, community-eco-lodges, guides), sustainable land management and forestry, as well as multi-sector (e.g. example activities are the development of small-scale enterprises, game products, forestry products, value-added processing (craft)).

This sub-component finances 100 % of eligible sub-project expenditures.

(ii) *Capacity Building and Technical Assistance (TA)*: This sub-component focuses on technical assistance and training for business plan development, implementation and evaluation. Further, it provides for TA prior to sub-project implementation or for other support such as feasibility studies to identify and assess costs and benefits for new ecosystem-based income-generating opportunities. For this purpose, funding is also made available to non-conservancy entities (NGOs, private sector, individual consultants) in such a support role. The MET/PO will also assist through its network of CBNRM officers or through relevant technical directorates.

This subcomponent uses standard procurement methods as described for other ICEMA Project components. When support is not given directly by MET/PO, the intermediary is referred to as a Contracted Service Provider (CSP).

ICEMA Simplified Funding Structure showing Position of Community Funding Facility (CFF)

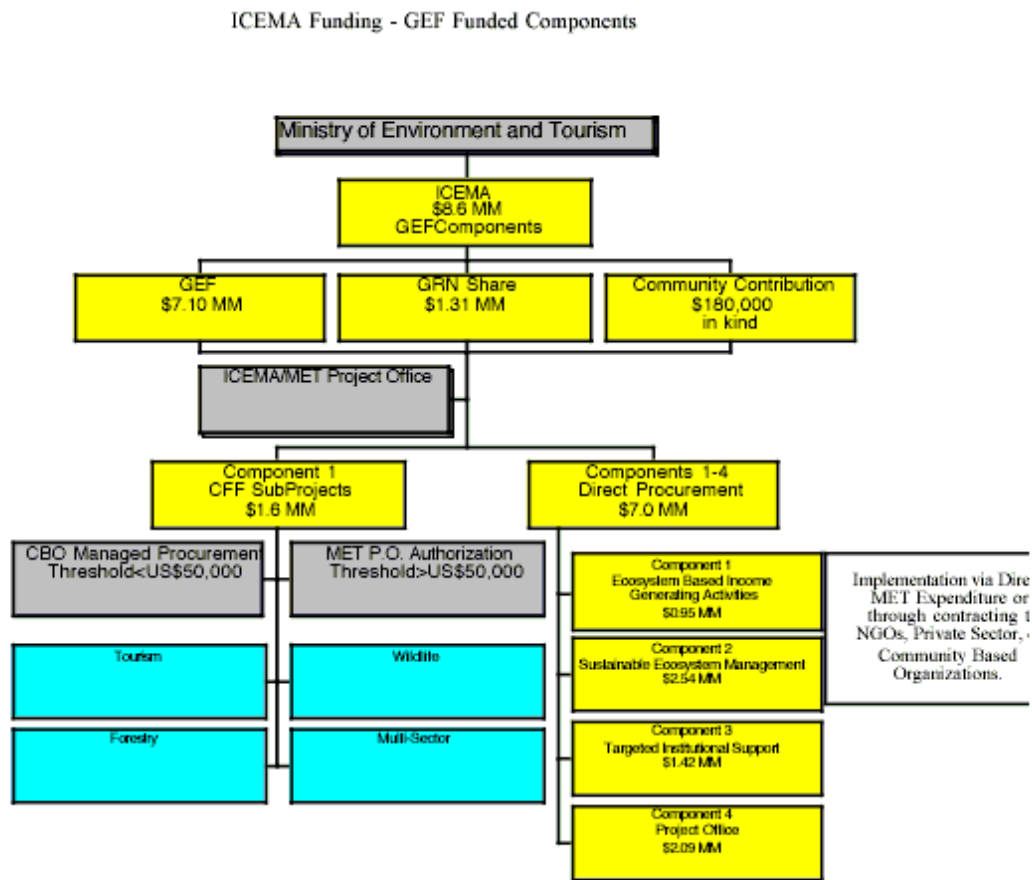


Figure 3.2. ICEMA Simplified Funding Structure showing Position of Community Funding Facility (CFF)

Preparation of Conservancy Business Plans (sub-component 1.2)

This will form a core activity in support of preparing sub-projects with regard to community participation. In deciding the specific activity for a given site, two critical factors must be considered. First, the sustainability of the basic resource on which the activity is based. Second is the potential to augment net income to the community members in a sustainable manner.

Communities will be given greater responsibility in planning their own actions for development as this approach is more likely to create support for those actions and in the longer term are more likely to succeed due to sense of responsibility and ownership of the asset created. As such, the Community Driven Development (CDD) model will be adopted which demands community

participation at every stage of the sub-project cycle – from needs identification and prioritization, preparation, appraisal (desk and field) and approval, implementation, supervision, monitoring and evaluation to completion.

Identification and Sensitization (sub-component 1.2):

The Dissemination Strategy of the CFF will seek to provide equal access to information about the CFF to all stakeholders including communities, local government functionaries, politicians, contractors, suppliers, NGOs, Conservancies to ensure transparent functioning of the project. The information will explain key design principles, participatory planning processes, criteria for sub-project funding, etc. The existing community sensitization and mobilization mechanism will be used for example, town criers, songs and plays, posters, etc. Sensitization would also focus on project objectives and brochures guiding this process would be produced in English and local languages.

For any given Recipient, the Contracted Service Provider or MET/PO will use participatory techniques to mobilize community members, identify and prioritize needs, and develop a comprehensive business plan using the conservancy or as the physical planning unit. The process could last up to 6 months. Communities together with the Contracted Service Provider or MET/PO will provide concrete suggestions as to how their problems can be overcome and how much financial and nonfinancial support they will require from the program. The Contracted Service Provider or MET/PO will primarily provide technical advice and help in quantifying and refining the options proposed by the community. The participatory process will ensure that dissenting voices are heard and that consensus is built around the plan. It is envisioned that each conservancy business plan will identify several potential sub-projects.

In support of this, the information dissemination will be in the form of a kit that will provide communities with all necessary information for working with relevant information about project procedures, sub-project application forms, guidelines which describe the types of projects, and project selection criteria. In addition, the kit will include a basic handbook for communities that will use simple language/illustration and cartoons to explain guidelines for sub-project preparation, implementation, supervision, operation and maintenance. The handbook will also provide basic guidelines for identifying and assessing environmental impacts and planning for mitigation measures.

The kit and handbook should be easily accessible to Conservancies and can be made available through the MET/PO and other facilitators. As much as possible, information provided must be in the local languages and with easy to understand illustrations.

Sub-projects under CFF (sub-component 1.1.) :

The **sub-project cycle** typically looks like the following:

| | Phase 1 | Phase 2 | Phase 3 |
|-------|-----------------------------|----------------|--------------------------|
| Stage | Planning and Identification | Implementation | Management and Operation |

| Duration | 1-6 months | 6-24 months | ongoing |
|--|--|---|---|
| Funds available for: | Assistance to Conservancies, NGOs, Private Sector, or individuals to help develop – in a participatory process: Conservancy Business Plans; Feasibility Studies for individual subproject applications. Eligible operational costs of MET/PO will also be covered. Support may extend into the Implementation Phase if necessary. | Specific sub-project investments undertaken by Conservancies Implementation support for the sub-project will form part of the sub-project application. | Assistance to Conservancies, NGOs, Private Sector, or individuals to help monitor the sub-project activities through: mentoring activities; cross-exchange visits; or other activities as identified upon sub-project closing. Eligible operational costs of MET/PO will also be covered. |
| Typical funding levels: | Approximately 10%-50% of sub-project investment; depending on local capacity. Costs include safeguard screening and EIA where necessary. | Maximum* (~N\$500,000) Typical (~N\$250,000) * GEF Portfolio limit of 2 (two) sub-projects that exceed this threshold. | Approximately 50% of sub-project investment; depending on local capacity. |
| World Bank safeguard procedures as reflected in the ESA, IPDP and RPF are integrated into the sub-project preparation process, and will be used for screening (and modifying) applications during the Desk and Field Appraisals. | | | |

Community “Self Help” Contribution: Eligible sub-project expenditures are 100% financed if they meet the self-help requirements. If a sub-project does not meet the self-help requirements, then the sub-project is not financed. The self-help itself contribution is not an eligible expenditure. Every sub-project proposal must contain an estimate of the community contribution to the activity in qualitative and monetary terms. As a general guideline, the valuation of this contribution should not be less than 10% of the sub-project amount applied for (example: for a N\$200,000

application, the local contribution should have a cash or in-kind value of at least N\$20,000).

Recipient: An ICEMA recipient community shall be a registered conservancy or community forest within the ICEMA Project Area. Two or more eligible recipient communities that are close together may combine to form a joint proposal for a sub-project. In such cases, one of the recipient communities will take a lead role for management purposes.

Thresholds: The normal threshold for sub-projects will be N\$500,000. Projects above these thresholds will be considered but will be subject to the following additional constraints: (i) GEF-ICEMA funds will be available for at most two such sub-projects. These sub-projects will be subject to prior review through standard WB Supervision protocols; (ii) Sub-project financial management and procurement will be more closely scrutinized by the MET/PO with same prior review thresholds as for the ICEMA project as a whole; (iii) The community ownership proposals for such sub-projects (see below) must include explicit discussion of the ownership structure and, if 100% of the investment is not owned by the community at turn-over, the plan must include a mechanism that specifies the period and means for assuring eventual 100% community ownership.

Ownership Proposal: Each sub-project proposal will include an ownership statement that affirms that the beneficiary of the sub-project is the conservancies and that 100% ownership of any equipment, works or other property (including intellectual property) resides with the conservancies upon project closure. If the sub-project contribution is a contribution to a joint-venture arrangement (with the private sector), then the ownership proposal must contain a detailed description of the ownership structure of the joint venture. Such JVs will only be considered for sub-project requests in excess of N\$250,000; sub-projects below this threshold must show 100% ownership by the conservancies.

Distribution of Sub-Projects: The intent of ICEMA is to develop a diversity of sub-projects across a broad spectrum of potential eco-tourism, wildlife, sustainable land management and forestry opportunities. For the first year, no specific targeting is included but such targeting may be introduced in later years of the project (2-5) if the portfolio of projects does not exhibit an adequate distribution. Such targeting criteria may be introduced at the time of the annual work plan.

Replication of Sub-Projects: The intent of ICEMA is to provide replication opportunities for successful sub-project activities. A Replication Plan will be developed for the project as a whole at the time of mid-term review (Year 3). At that stage, the replication plan may – based on lessons learned from the first 2 project years – call for the introduction of additional criteria to ensure successful replication of successful activities.

Positive list of sub-projects: These are sub-projects that are eligible for GEF assistance under the ICEMA project. Primarily, *sub-projects to help support ecosystem-based income generating activities must provide some reasonable prospect for generating income to the Recipient and for contributing and acting as a catalyst to the sustainable management of the important ecosystems targeted by this project.* All sub-projects will be demand-driven but any one sub-project may include the following “primary activities” or some combination thereof:

- o Community woodlots using indigenous species.
- o Managed natural Mopane woodlands for sustainable production of non-timber forest

products.

- o Nurseries raising seedlings of indigenous economic trees, indigenous grass species and indigenous medicinal plants.
- o Agro-forestry using indigenous species.
- o Homestead fish production using indigenous species.
- o Cottage industries (handicrafts, pottery).
- o Small-scale post harvest infrastructure (e.g. for Devil's Claw).
- o Bee-keeping (Apiculture).
- o Wild Silk.
- o Eco-tourism Camps.
- o Guiding Facilities.
- o Eco-lodges.
- o Tannery/Leather Making from game.
- o Trophy Mounting.
- o Venison Processing.
- o Biltong Production.
- o Traditional Village or Cultural Center.
- o Rehabilitation of eco-tourism infrastructure and facilities.
- o Rehabilitation of eco-tourism access infrastructure such as feeder roads, bridges, culverts, viewing sites and sign posts.
- o Reclamation of degraded land in support of an eligible associated income generating opportunity.
- o Soil erosion control in support of an eligible associated income generating opportunity.

Although sub-projects will include activities to be specified by the communities, certain activities will not be eligible for GEF funding due to the operational focus of GEF and the need to discourage activities that contribute to loss of biodiversity or to land degradation. Examples of **sub-projects on the negative list**, include, but are not limited to:

- o Social infrastructure (unless it falls within the 25% guideline)
- o Income generating activities that are not connected to ecosystem services or resources (unless such activities fall within the 25% guideline)
- o Agricultural activities that would result in a net loss of forests.
- o Agricultural expansion.
- o Large scale agricultural activities.
- o Commercial logging.
- o Forestry production projects especially conversion of hill forest land to other land use.
- o Large Scale Drainage and Irrigation including:
 - Construction of dams and reservoirs.
 - Artificial enlargement of lakes with surface areas of 20ha or more.
 - Drainage of wetland wildlife habitat or of virgin forest covering an area of 5ha or more.
 - Irrigation schemes covering an area of 50ha or more per community.
- o Activities that would impact cultural property.
- o Acquisition of land (whether individually or communally owned).
- o Housing development.

- o Large scale industrial plants and industrial estates including major expansion, rehabilitation or modification.
- o New land development.
- o River basin development (i.e., large scale development and construction in riparian areas that would impact downstream systems).
- o Manufacture, transportation and *use of* pesticides or other hazardous and/or toxic materials.
- o New construction or major upgrading of roads or highways.
- o Construction of ports.
- o Mining and Quarries.
- o Firewood Production or Briquette Manufacture.
- o Construction of railways.
- o Power generation and transmission.
- o Any form of physical resettlement.
- o Construction or rehabilitation of places of worship.
- o Waste treatment and disposal.
- o Animal farming (i.e., animals that would negatively impact on biodiversity goals).
- o Petrol Stations or Mechanical Shops.

The **stages in the sub-project process** are as follows:

1. Preparation of Sub-Project (conservancy with support from CSP, MET/PO)
2. Submission of Sub-Project Proposal (MET/PO)
3. Desk Appraisal (CSP or MET/PO)
4. Field Appraisal (CSP or MET/PO)
5. Returned for Correction
6. Approval by MET/PO
7. Approval and Launch

Selection of Sub-Projects will be done through the ICEMA Project Office (MET/PO) using standard selection methods. The financing agreement with the recipient community should include an indicative procurement plan. More details regarding sub-project preparation, approval and launch, implementation, completion and monitoring are contained in the CFF manual of operational guidelines and procedures (part of the PIM and closely linked to the Financial and Administrative Manual).

Additional GEF Annex 20: Local governance and participation in communal conservancies NAMIBIA: Integrated Community-Based Ecosystem Management (ICEMA)

This annex aims to present the main participatory elements of the National CBNRM Program and the communal conservancy management to date. It further highlights areas to be strengthened in the future as well as ICEMA's contribution to this process.

1. Concept of participation

The level of increasing participation of individuals in planning, implementation and monitoring/evaluation processes in a given community can be described (and measured) generally in 5 stances:

1. Information: Most important first step to legitimate participation with integrated feed-back loops avoiding only a one way flow of information.
2. Consultation: The second legitimate step based on presentation of several options and consequent feed-back from community members.
3. Joint decision-making: Encouragement to provide additional ideas and options before coming to a joint agreement on the best way forward.
4. Joint acting: People form partnerships to carry out joint decisions and then review those actions to see what happened.
5. Support independent community initiatives: Providing assistance to others do what they want, perhaps with a framework of advice, grants and other support provided by the resource holder.

2. Support to conservancy formation and management by the two main stakeholders of the National CBNRM Program: MET and NGOs

(i) Ministry of Environment and Tourism: The MET is the lead agency for the National CBNRM program (see C.4). MET field staff play the main implementing role within the MET in working with conservancies. This includes: accompanying conservancy formation, providing ongoing extension and support services and building a continued dialogue with conservancies. MET's field-based resource persons include:

Information Wardens/Rangers: Responsible for providing initial information to communities about conservancies.

Local Management Wardens/Rangers: Local Management Wardens and Rangers form the “frontline” of MET staff working with conservancies. They are involved in assisting conservancies to meet the conditions for registration and in following the steps set out in the formation process. Continuity and appropriate skills to carry out these tasks are key for success. Management Wardens provide also technical extension support to communities for wildlife and natural resource management (e.g. problem animal control, use of water points, fencing, development of management plans, etc.)

Regional Biologist: Assists conservancies in developing their management plans and aspects of wildlife and natural resource utilization, including quota setting and monitoring. The Regional

Biologist assists in providing information on the resource base, options for utilization, habitat management, etc.

In addition, as described in the main section, all technical directorates of MET are involved in the National CBNRM Program:

Community-based Natural Resource Management Unit: The Community-Based Natural Resource Management (CBNRM) Support Unit is located within the Directorate of Resource Management (DRM). This unit is specifically responsible for coordinating issues related to community-based conservation throughout the country. It is also responsible for coordinating issues related to conservancies and conservancy formation, requesting assistance from NGOs, or other Ministries, and providing technical support to management and information field staff working with conservancies.

Community-based Tourism Officer: The community-based tourism officer and his colleague in the Policy Planning and Information Unit of the Directorate of Tourism, provide support for conservancies on issues related to tourism development within the conservancy, they pay particular attention to the development of relationships with private companies and the development of skill and expertise.

Directorate of Environmental Affairs (DEA): The natural resource economists within the DEA provide economic analysis for determining the economic viability of utilization options and of individual conservancies and enterprises. The DEA continues to provide liaison and coordination within the Ministry and with other complementary support provided through other Ministries, NGOs, and other donors. The DEA liaise with other ministries over policy issues related to community-based conservation such as land tenure, grazing rights, etc. The Natural Resource Specialist in the DEA is responsible for providing support to communities in mapping and monitoring the resource base and in liaising closely with Resource Management.

Directorate of Forestry: This Directorate has developed new legislation which makes provisions for the establishment of Community Forest Reserves. These are similar in principle and practice to conservancies. Where conservancies and community forest reserves overlap, they should be managed by the same committees for forest resources, wildlife and other natural resources. Forestry officials will work with conservancies where appropriate and Resource Management officials will assist with wildlife management within community forest reserves once established.

(ii) Non-Governmental Organizations (NGOs): For conservancies to succeed, communities need to establish institutions which are representative and accountable, which can distribute benefits equitably and which can eventually manage natural resources and the ecosystem effectively. Communities need a considerable amount of support in developing these institutions and in identifying key issues which need to be addressed. NGOs provide a number of crucial services and skills, particularly within the field of community development, that do not fall under the immediate role of the Ministry. A healthy relationship between the MET and the NGOs is therefore be of great benefit to local communities. An association of institutions and organizations from all levels that provide support to the conservancies has been established: the “Namibian Association of CBNRM support organizations”, also called NACSO. The MET has and is continuing to develop partnerships with NGOs and/or contract NGO to implement certain activities for which the NGOs have a comparative advantage (e.g. community awareness campaigns, community training, workshop facilitation, etc.)

Communal Area Conservancy Formation: Conservancies are not proclaimed land like game reserves and national parks. Conservancies are formed by a group of communal area residents who have the common purpose of managing their ecosystems sustainably and developing, for example, wildlife-based tourism activities on their land. The need and desire for forming conservancies therefore has to come from the communities themselves. The MET and non-governmental organizations (NGOs) can inform communities about conservancies and the rights and responsibilities that are attached to them, but they are not intended to play a role in terms of actively establishing conservancies. The supportive role implies that the MET, NGOs and others need to place a high degree of emphasis on facilitation of the process of conservancy formation.

Steps in Conservancy Formation

1. MET/NGOs provide information on conservancies to communities;
2. Community informs the MET of its potential interest to form a conservancy;
3. MET and community jointly carry out a brief viability study;
4. Communities identify members and select committees;
5. Conservancy defines physical boundaries;
6. Conservancy develops constitution (which shows commitment to - and strategy for - sustainable management and utilization of wildlife and natural resources within the conservancy);
7. Conservancy applies to MET for registration as per guidelines;
8. Conservancy is registered by MET and gazetted;
9. Conservancy becomes operational and develops enterprises.

Once a prospective conservancy has applied successfully to the MET for registration and has been gazetted, the conservancy owns the huntable game (kudu, oryx, sprinbok, bushpig, buffalo and warthog) and other natural resources within it. It is now able to apply to the MET for permits for the use of protected and specially protected game. It is also able to buy and sell game in accordance with the provisions of the legal framework. All revenue from the use of game and natural resources will be retained by the conservancy. A conservancy is able to apply for registration as a hunting farm and gain the right to carry out trophy-hunting within the conservancy.

3. The CBNRM local level institutional framework in Namibia

Conservancy Committees - the basic local level institution:

Good governance is an implicit aim of the conservancy policy and legislation. The conservancy committee is expected to be sufficiently representative of the community residing in the conservancy. It represents the conservancy's executive body. The conservancy members are elected or appointed representatives of the community. Some committees are made up of members representing individual villages within the conservancy (this is particularly important for large conservancies with several different villages and groups included), while in other cases committee elections are held for the whole conservancy area (and without geographical representation). The conservancy committee has the responsibility for – and rights to-

consumptive and non-consumptive management and sustainable use of other natural resources on behalf of the members of the conservancy. The conservancy committee has also right to enter into agreements with other parties, such as the private sector, for the joint tourism ventures. The committee should have the ability to effectively manage the income and funds of the conservancy and has appropriate methods for equitable distribution of financial benefits to members. The conservancy committee must undertake to keep the members of the conservancy fully informed regarding decisions taken, as well as income and expenditures.

The main functions and duties of a conservancy management committee are:

- To represent the interests of the conservancy members in matters related to natural resource management and use in the conservancy;
- To oversee the management of conservancy income and expenditure;
- To represent the conservancy in negotiations with the private sector;
- To discuss policy issues with the MET;
- To arrange annual meetings of the conservancy;
- To keep conservancy members informed and consulted on critical issues such as the distribution of money and other resources;
- To apply to the MET regional head for the quotas for the use of wildlife and other natural resources;
- To determine what technical assistance is needed from MET and other support organizations;
- To determine training needs for the conservancy;
- To initiate projects for improved natural resource utilization and management;
- To establish a practical problem animal management plan;
- To develop tourism initiatives within the conservancy;
- To manage, if necessary, a community/conservancy game guard system;

Conservancy members attend Annual General Meetings (AGMs) where they receive feedback from the committee and are able to vote for new committee members. Attendance at conservancy meetings, including AGMs varies from area to area. The large size of some conservancies in the northwest makes attendance difficult for many people and in the north east, the size of the membership often makes it difficult to disseminate information about meetings. However, attendance at meetings also depends upon the extent to which members feel that their interests and priorities are being met by the conservancy, or whether they have a grievance to raise. Conservancy support organizations are providing support to ensure that public meetings are held to discuss the conservancy and selection process of the committee. Special efforts are made to ensure that all sections of conservancy area residents are included in meetings, in particular women and minority groups.

Communal Area Conservancy Constitution:

The constitution of a communal area conservancy aims to do five things:

- Meet the legal requirements of the amended Nature Conservation Ordinance which makes provision for communal area conservancies;
- Meet the requirements for giving the conservancy constitution legal status under common law;

- Satisfy the MET that there is a real commitment to sustainable management of wildlife and that the conservancy will draw up a Management Plan once established;
- Provide for the operational arrangements of the conservancy (e.g. election of the committee, holding of meetings, financial matters, etc.)
- Express the particular objectives, interests, needs, etc. of a specific community;

The constitution therefore needs to be flexible while at the same time satisfying the above requirements. Certain elements of the constitution are the same for all conservancies (e.g. existence of membership definition) while others are not (type of membership definition). A Model Communal Area Conservancy Constitution is available from the MET which aims to meet all requirements as defined per legislation, but also provides enough flexibility to allow adaptation according to individual conservancy needs.

Conservancy Management Plans:

While the conservancy constitution outlines the goals and objectives of the conservancy, the current management plan spells out the management guidelines and activities as well as resource utilization and monitoring activities including:

- Determining of quotas for hunting and other forms of natural resource use;
- Monitoring and recording indicators such as precipitation, vegetation, habitat cover, land degradation, status of natural resources;
- Recording wildlife numbers and impact of management and utilization;
- Defining areas of different land uses such as core wildlife areas, tourism concessions, multiple use zones, etc.

4. Achievements in local governance and participation to date

Due to a given mix of geographic, socio-economic, environmental and resource-based elements and conditions, every conservancy has to develop its own approach for conservancy planning, management and evaluation. While there is considerable variation in participation of conservancy members in key decisions between around the country, the conservancies have and continue to provide an important vehicle for the development of democratic governance at local level. Most of Namibia's conservancies are representational democracies. Perhaps one of the most important impacts of the new institutions has been the extent to which they can represent the interests of conservancy members to outsiders such as government and NGOs.

With the help of donor-evaluations and other lessons from the past years of the National CBNRM Program, the following positive trends of the current situation can be generally presented:

- ❑ Community decision-making processes have been strengthened
- ❑ Community leaders are held accountable for their actions
- ❑ Transparent leadership is encouraged
- ❑ Increased participation by women in decision-making processes (e.g. about one in four committee members are women)
- ❑ People have developed improved self-confidence and the sophistication to manage and benefit from their own natural resources and plan their own livelihoods
- ❑ Female conservancy resource monitors (use of non-wildlife resources such as palm for basketry, thatching grass and veld foods) joined the male conservancy game guards in many conservancies and channel women's views to decision-makers through their report back
- ❑ Traditional authorities are usually represented on the committee

On the other side, weaknesses can be summarized as follows:

- ❑ Committees are "elected" in ways that may not be very democratic (election dates are often inexistent)
- ❑ The dependence on grant funding means that conservancy committees are in particular accountable upwards and might not place sufficient emphasis on accountability mechanism with their conservancy membership.
- ❑ Conservancy committee members are also highly responsive to external support and training, with the consequence that committee members are considerably empowered, which might create an unbalance in decision-making processes.
- ❑ Committee members face difficulties in communicating with their constituents
- ❑ Committee members are combining the role of decision-making representative with many day-to-day management activities which becomes often demanding and time consuming
- ❑ Benefit distribution and implementation of revenue sharing lagged behind schedule due to internal community disagreement on benefit use and lack of guidelines for benefit schemes.

5. Tasks and challenges for the future to improve local governance and participation

More attention will need to be given to developing approaches based on participatory rather than representative democracy in order to prevent that power and decision-making is centralized only at the conservancy committee level. Some conservancies are experimenting with various levels of devolution of power to more participatory decision-making (e.g. #Khoadi //hoas and Kwandu).

Ongoing and future efforts to further advance good governance and to achieve institutional sustainability through the CBNRM programme focus on the following aspects:

- a) There needs to be a greater separation in conservancies of day-to-day management and broader coordination and policy direction functions (e.g. committee coordinates and a manager carries out operational activities);
- b) The flow of information between conservancy committees and members needs to be improved;
- c) Continued efforts for the promotion of participatory democracy within conservancies and the

use of more localized units of decision-making need to be made;

d) Decision-making processes within conservancies and their committees need to conform more closely to the informal, subtle and flexible processes that communities use themselves;

e) Continued efforts for monitoring the regularity, participation and content of community general meetings at local and regional and national level need to be made;

f) Using the Regional Development Coordinating Committees as an effective and regular way of the conservancy's and community contribution to the coordination of sectoral input and local development. The RDCCs are operating within the framework of the Decentralization Policy of 1997 which provides for the full devolution of powers and functions relating to i.e. conservation, to Regional Councils. Roles and responsibilities of conservancies within the RDCCs need to be clearly defined.

g) Regular representation of conservancies on the other important local decision making structures like Land Boards, which are responsible for the allocation of land in communal areas under the National land Policy of 1998 and the Communal Land Reform Act of 2002;

h) Continued efforts to forge positive relationships with traditional authorities. The Traditional Authorities Act of 2000, designates Traditional Authorities as custodians of natural resources, and also gives them the mandate to settle disputes within their communities. Although Traditional Authorities have no legal linkages with community resource management institutions established under sectoral policies and legislation, it has been common practice to date to have them represented on conservancy committees;

i) Strengthen cooperation between community resource management institutions and land control bodies, e.g. Traditional Authorities and Land Boards.

5. ICEMA's contribution

(i) The ICEMA project builds on the previous lessons learned and achievements described above and has been carefully designed throughout the preparation process with all stakeholders to reflect these findings. Several field visits to conservancies and detailed consultation with conservancy committee members allowed to verify the proposed arrangements and adjust as needed.

(ii) Two out of its 4 components focus on on-the-ground investments to targeted communal conservancies and capacity building for conservancy members (planning, management and monitoring and evaluation).

(iii) The Community-Funding Facility will provide direct grant funding to conservancy members for their ecosystem-based income-generating sub-project (see annex 19).

(iv) Component 3 provides additional institutional support to targeted conservancy committees for their day-to-day management (capacity-building but also financial support for operational management). It is important to notice that capacity-building needs will be defined jointly with community and conservancy committee members and will always be target-driven (to achieve a certain objective).

(v) Component 3 further aims to foster the creation of conservancy associations hereby enhancing their empowerment in discussions with Government and other partners.

(vi) ICEMA supports the integrated ecosystem planning and management under one management structure (avoiding multiple resource management committees e.g. for wildlife, forestry, water, fisheries, etc.).

(vii) ICEMA supports the partnership principle between the main CBNRM stakeholders through the CBNRM Consultative Forum which is expected to comprise CBO representatives, MET and

other ministries, NGOs, private sector and donors.

(viii) ICEMA might in due course also support future community forests (to be established under the Forestry Act) and their local level institutions, the community forest committees.

(ix) If the annual work program triggers any safeguard actions (EIA, resettlement, indigenous people), further additional participatory processes called for under the three safeguard documents (EIA, RPF, IPDP) will become effective.

(x) The Technical and Scientific Advisory Roster (TSAR), to be established through ICEMA, will include at least one social scientist to provide guidance and technical support to the project stakeholders on community-development and participation issues as needed.

