

SWAZILAND  
Swaziland Biodiversity Conservation and Participatory Development

**GEF Project Brief**

Africa Regional Office  
AFTES

|  |   |
|--|---|
| <b>Date:</b> February 24, 2003<br><b>Sector Director:</b> James P. Bond<br><b>Country Manager/Director:</b> Fayez S. Omar<br><b>Project ID:</b> P068975<br><b>Focal Area:</b> B - Biodiversity | <b>Team Leader:</b> Agi Kiss<br><b>Sector(s):</b> General agriculture, fishing and forestry sector (100%)<br><b>Theme(s):</b> Biodiversity (P), Other environment and natural resources management (P), Environmental policies and institutions (S) |
|--|---|

**Project Financing Data**

[ ] Loan    [ ] Credit    [X] Grant    [ ] Guarantee    [ ] Other:

**For Loans/Credits/Others:**

**Total Project Cost (US\$m):** \$11.90

**Cofinancing:** To be determined

**Total Bank Financing (US\$m):** 5.50

**Has there been a discussion of the IBRD financial product menu with the borrower?**  Yes  No

| Financing Plan (US\$m):     | Source | Local | Foreign | Total |
|-----------------------------|--------|-------|---------|-------|
| BORROWER/RECIPIENT          |        | 1.00  | 0.00    | 1.00  |
| GLOBAL ENVIRONMENT FACILITY |        | 3.00  | 2.50    | 5.50  |
| Financing Gap               |        | 5.40  |         | 5.40  |
| <b>Total:</b>               |        | 9.40  | 2.50    | 11.90 |

**Borrower/Recipient:** KINGDOM OF SWAZILAND

**Responsible agency:** MIN OF TOURISM, ENV. & COMMUNIC.; MIN OF ECON DEV & PLANNING  
Swaziland Environment Authority

**Other Agency(ies):**

Swaziland Environmental Authority

**Contact Person:** Jameson Vilakati

**Tel:** 268-4163351

**Fax:** 268-4163351

**Email:** Seabiodiv@Realnet.Co.Sz

**Project implementation period:** 7 Years

## **A. Project Development Objective**

### **1. Project development objective: (see Annex 1)**

#### **1a. Context and Background**

Despite its small size, the Kingdom of Swaziland enjoys a surprising richness of biodiversity as a result of its location and its great variations in landscape, geology and climate. It lies at a unique crossroads between the tropical flora to the north and more temperate flora to the south and includes the extremes of many species ranges. As a result it has the highest species diversity in southern Africa. A substantial part of the biodiversity richness lies in the northwest, in the Barberton center of local endemism, and in the far east, in the Lubombo mountains and the Maputaland Center of Plant Diversity. Equally important, Swaziland contains one of the largest remaining intact altitudinal gradients of natural ecosystems (from montane to coastal plains) in the region, and it is the only place where this continuum is compressed into a relatively short distance of about 200 km. Such an intact gradient holds great significance for biodiversity conservation because it allows for ecological processes such as migration and gene flow, and because it provides the opportunity for population shifts as an adaptation to climate change. The fact that the gradient occurs across a relatively small total area is important from a practical perspective, making it more feasible to conserve and manage the area. The highlands of Swaziland also hold several large river basins which supply water for agricultural, hydropower and domestic uses downstream, not only in Swaziland but also in South Africa and Mozambique.

This unique biodiversity heritage is under serious and growing threat as a result of increasing population and a declining economy. Only 5% of the total area of Swaziland is currently legally protected for biodiversity (4% in formally gazetted protected areas; 1% informally protected) while almost 30% has been fully converted either to commercial agriculture (particularly sugar cane or citrus monocultures), plantation forestry, or urban development. The majority of the land is used for small scale subsistence agriculture and livestock grazing, with varying degrees of loss and degradation of biodiversity and ecological integrity. Invasive alien plant species, some of them introduced through agriculture and plantation forestry, are also displacing indigenous species in many areas. Government policy has focused on increasing investment in commercial agriculture and related agri-business, and surveys have been undertaken to identify additional areas suitable for agricultural development.

The protected and unconverted areas with moderate population density are largely concentrated in the northern part of Swaziland, where it is possible to outline a relatively well-defined, largely intact corridor of natural landscape running west-to-east across the country (the "Northern Corridor"). Much of the currently unprotected area within this corridor has been identified as "Protection-Worthy Area" (PWA) under the national Biodiversity Strategy and Action Plan (BSAP), based on criteria such as biodiversity value, socio-economic value, long-term sustainability and availability for protection. A similar biodiversity-rich and relatively intact natural corridor can be outlined running north-to-south along the eastern edge of the country, comprising the Lubombo mountains and part of the eastern lowveld (the "Eastern Corridor"). Both of these corridors are anchored at either end by Transfrontier Conservation Areas of high biodiversity significance.

In view of the high proportion of Swaziland's rural population that falls below the poverty line, it is clear that the rural landscape must provide increasing economic benefits. In order to survive, natural areas must compete on economic terms with further agricultural development. Natural resources and ecosystems already make an enormous contribution to rural livelihoods (e.g., woodfuels account for 80% of energy in rural areas, and almost 10% of the country is used for communal grazing). However, much of this natural resource use is unsustainable and has resulted in environmental degradation, such as

overgrazing and large scale soil erosion on some communal lands. The relatively intact natural areas within the proposed Northern and Eastern biodiversity corridors are no exception: the protected areas are continuously threatened with encroachment and the unprotected areas are increasingly subject to unsustainable resource use. Maintaining or restoring the biodiversity value and ecological integrity of these areas through greater protection and improved management will only be possible and politically acceptable if the biodiversity-friendly land uses contribute substantially to the livelihoods and economic development of the people.

The best prospect for significant, sustainable, biodiversity-friendly economic growth in many of the remaining natural areas is likely to be through nature-based tourism. Southern Africa is widely regarded as a major growth area for the tourism and travel industry. A 1999 study by the World Tourism and Travel Council estimated that the economic contribution of tourism in the SADC region could grow by nearly 6% per year over the next decade (well above a worldwide average of 3.4%). In 1999 the industry directly accounted for 3.3% of total employment in the SADC region (1.5 million jobs), and the WTTC report forecasts this to rise to 2.2 million jobs by 2010. (Corresponding figures for the tourism and travel economy, which takes into account upward and downward linkages, are for 11.4% of GDP, and a projected 5.5 million jobs, or 8.9% of total employment, to come from tourism-related economic activity by 2010). At present, tourism levels and revenues in Swaziland are low. Africa-wide the average contribution of the tourism industry to GDP is 7.8% whereas in Swaziland it is only 2.6%. Swaziland is presently known mainly as a transit destination for tourists passing from Mpumalanga to Kwazulu-Natal or to Mozambique, with less than 30% of foreign tourists entering the country staying overnight. There is clearly potential for a significant increase if Swaziland can position itself as a more important destination within the southern Africa tourism industry.

While increasing its share of the SADC tourism market, Swaziland should also benefit from the rapid growth that is expected to arise from major initiatives to develop and expand an integrated southeast African tourism circuit linking the very popular wildlife areas inland with the spectacular Indian Ocean coast (e.g. a proposed new Southeast African Tourism Investment Initiative, SEATII, being launched with support from IFC, USAID and others). Swaziland holds a strategic geographic position within these circuits and can significantly contribute to their success. At the same time, the larger regional context provides the critical mass of investment opportunities and attractions which are essential for the viability and sustainability of tourism development in this small country. This is particularly important for community-based tourism development, as isolated small-scale attractions and accommodations rarely can survive just on the basis of tourism flows they can attract in isolation. While not able to compete in terms of wildlife (or coastal) attractions, Swaziland can define its own unique niche within the southern Africa destination on the basis of its rich cultural heritage and beautiful landscapes. Recent studies indicate that heritage, culture and scenic beauty represent 46% of the total motivation of foreign tourists visiting southern Africa. Swaziland's National Development Strategy and Tourism Policy and Strategy highlight the importance of tourism as a source of economic development for the country, and both stress that tourism development must be driven by private sector investment, with the government creating an attractive and supportive environment (in both a physical and business sense) to promote this investment.

The traditional approach to designing a protected area network or tourism circuit is largely "top-down" and sectoral, with the responsible Ministries preparing and trying to implement their sectoral development plans. However, modern development policy (including that of the World Bank) and best practice stress the need for stakeholder participation and multi-sectoral integration at all stages, from conception through planning through implementation. Participation and cross-sectoral coordination are also key to the "Integrated Ecosystem Management" approach to biodiversity conservation, which has been adopted as a guiding principle by all the major international conservation organizations and many agencies around the world responsible for managing public lands and resources (e.g. the US National

Park Service, Forest Service and Bureau of Land Management; Parks Canada, etc.). This type of approach is particularly necessary in Swaziland because of the diversity of land tenure and land use and the strong role of communities, through Traditional Authorities (Chiefs) under the Tinkhundla system, in determining the use of land and natural resources. The slow progress of SDI's in Swaziland highlights the importance of ensuring "buy-in" from a variety of sectoral agencies and from stakeholders on the ground. The great challenge, however, is to define an integrated and participatory planning process and to identify or develop institutional structures to lead it. These structures must ensure effective coordination among sectoral agencies, between central government and Traditional Authorities, between government and non-governmental entities including the private sector, and (given the large spatial scale of the proposed corridors) across local administrative, social and economic boundaries.

Other differences between the BTC concept and the SDI model highlight additional strategic choices made in this project. Environmental sustainability and social equity considerations have been addressed to a greater or lesser extent in various SDI's, but only from the perspective of seeking to reduce and mitigate any negative impacts, rather than as central objectives and fully integrated elements of the planning process. In the BTC model, environmental sustainability and enhancement of local livelihoods are core objectives and lie at the center of the planning process. The ISPP process will therefore begin with a Strategic Environmental Assessment and be built upon its outcomes and recommendations. Another difference is that the SDIs have generally been based on a model of geographically distinct "development nodes" anchored by large, capital-intensive "mega-projects." The mega-projects are supposed to attract other investment, to produce a "stand-alone" centers of economic development and growth. The BTC model emphasizes a linked chain of modest scale, community-oriented developments (e.g. nature reserves, accomodation, craft shops, restaurants). The success and sustainability of each link in the chain depends on its being part of the larger whole, which represents an attractive and accessible route linking major regional tourism centers and destinations, such as the large game parks and Transfrontier Conservation Areas, and Maputo and the Mozambique coast. This model is supported by ongoing initiatives to establish large, integrated south East African tourism routes which aim to make the entire region a major world class tourism destination.

### **1b. Project Development Objective:**

The project's Development Objective is to promote environmentally, economically and socially sustainable development and enhance incomes in the rural areas of Swaziland, based on conservation and sustainable use of its rich biodiversity resources and local participation in tourism development.

### **1c. Global objective:**

The project's Global Objective is to preserve globally significant biodiversity and a continuous altitudinal and vegetational gradient by creating a sustainable, linked network of formally and informally protected areas.

## **2. Key performance indicators: (see Annex 1)**

The proposed Northern and Eastern Corridors are established for long term biodiversity conservation, with all the critical areas either formally protected and/or managed and used in ways that protect indigenous species and maintain ecological connectivity across the entire area. Integrated land/resource management plans for each Corridor prepared and implementation launched.

Annual tourist numbers and tourism-derived revenues increase by \_\_\_% within the project area and \_\_\_% nationwide by the end of the project

Private sector tourism-related financial investment increases by at least \_\_\_% within the project areas by the end of the project. All investment is consistent with the Corridor management plans and demonstrably supports objectives of the project (biodiversity conservation; empowering and involving local communities; contributing to rural incomes).

Identification and implementation of actions to improve natural resource management (e.g. reduce grazing pressure; re-afforestation) on Swazi Nation Land, in at least 10 sites within the project area.

## **B. Strategic Context**

**1. Sector-related Country Assistance Strategy (CAS) goal supported by the project:** (see Annex 1)  
**Document number:** 13622      **Date of latest CAS discussion:** 10-21-1994

The most recent CAS for Swaziland was prepared in 1994. It noted that, as a small "undistressed economy," Swaziland had not been on the donors' agenda. However, in the face of an economic downturn and growing poverty, the Bank was poised to resume a program of dialogue and assistance to the country. Since then, dialogue has been ongoing between the Government of the Royal Kingdom of Swaziland and the World Bank regarding development needs and possible assistance. This dialogue has been guided in particular by a Participatory Poverty Assessment (1997), a Poverty Policy Assessment (1999) and various macroeconomic analyses. As is typically the case with IBRD countries, the Bank's strategy in Swaziland is guided by the National Development Strategy (1999).

The above work has identified the need for policy reform in key areas where current policies and structures are constraining equitable growth and poverty alleviation. Over half of Swaziland's export earnings come from primary commodities (e.g. sugar, wood pulp, citrus), making it vulnerable to changes in world prices. Furthermore, while nearly 3/4 of the population is engaged in agriculture, this is mainly at the subsistence level. According to the 1994 CAS, agriculture contributed only 12% to GDP and the commercial sector is mainly foreign-owned, directly benefiting only a small labor force while the majority of the earnings are expatriated. Government policy and development strategy emphasize broadening the export base and increasing commercial investment in the country. However, to have a positive impact on rural poverty and livelihoods, this expansion and diversification must be based on industries and approaches that create greater opportunities for direct economic participation by rural people. It must also take into account the growing problems of poor land and water management, including widespread erosion and limitations in water supply.

The real per capita GDP growth rate in Swaziland has stagnated around 0 to 1 percent in recent years. A Swaziland Government Draft Report on Poverty Reduction (2001) indicated that the poverty problem in the country is compounded by the lack of livelihood opportunities for the rapidly growing labor force. This is related in turn to a slowdown in foreign direct investment, and closure of some major industries. This again highlights the need to broaden the areas of opportunity for foreign direct investment, particularly investment that creates employment.

While there may be some scope for diversifying agricultural production with greater smallholder participation, nature-based tourism offers an important alternative with strong prospects both fueling economic development in rural areas and for ensuring environmental sustainability. The

1994 CAS noted that tourism prospects were under-exploited, and the current National Development Strategy highlights the economic prospects of tourism development. The Government has taken steps to realize this potential, by creating a Tourism Ministry in 1996 followed by preparation of a National Tourism Policy and Strategy (approved by Cabinet in 2001) and establishment of the Swaziland Tourism Authority in 2001. The prospects of tourism development are strongly dependent on Swaziland's ability to take advantage of the strong growth trends of tourism in the southern Africa region. It is also significant that tourism is known to generate a high level of diverse employment opportunities.

The 1994 CAS called for an emphasis on stimulating private sector growth, improving land and water resources and diversifying rural income opportunities. These remain important priorities today, as indicated by the National Development Strategy. The NDS highlights poverty alleviation and environmental management as major themes and provides a strong basis for prioritizing the approaches and investments of the proposed BCPD project. Specifically, the NDS identifies the need for conservation and management of water and land resources and measures to conserve endangered animal and plant species; implementation of the National Biodiversity Strategy and Action Plan, and initiating economic incentives to promote environmental management; providing solutions for a more rational use of land in the rural sector; encouraging and supporting communities to enable them to play a main role in natural resource management; exploring possibilities of smallholder involvement in tourism, and identifying measures to promote and stimulate sustained private sector investment, including creating an enabling environment for innovative investment in the tourism industry :

The current perception on the part of the World Bank and other donors is that the issue of reforms in a number of policy areas and improved governance are central to real progress for the people of Swaziland. One important element of this is empowering local communities to participate effectively in land and resource use decisions; another is ensuring an open and transparent environment for local and foreign investment, based on well-conceived development planning.

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

This project supports the conservation of globally significant biodiversity, particularly under OP 1 (arid and semi-Arid zone ecosystems) and OP 4 (mountain ecosystems). About 46 % of Swaziland falls within the montane grassland ecosystem (of which 2% is protected, and about 25% has been converted to other uses, predominantly plantation forestry). About 48 % falls within savanna-woodland mozaic (of which about 5% is currently protected and 25% has been converted to other uses, predominantly sugarcane cultivation). OP 3 (forest ecosystems) is addressed only tangentially, as indigenous forest represents only 5% of the total area of the country, and this is mostly in the form of small patches interspersed amongst grassland, as well as some high elevation forest area in the west and in ravines of the Lubombo mountains. Conservation of this ecosystem is hampered by its fragmented nature.

The project conforms to the specific guidance provided for OP 1, including support for implementing management plans for protected areas, removal of threats to biodiversity, integration of sectoral interests, sustainable use of biodiversity resources and strengthening institutions. Specifically, the project aims to increase the value of these biodiversity resources for local communities, through sustainable use mainly in the form of nature-based tourism. The ISPP process by definition integrates sectoral interests, and institutional strengthening at numerous levels is an essential element. While not specifically addressing the broader objectives of OP 12, the project adopts an integrated ecosystem management approach to

biodiversity conservation.

The project also reflects emerging strategic directions for GEF 3, in that it emphasizes building sustainability of protected areas within the context of national PA systems, assists Swaziland to mainstream biodiversity in its economic production systems, and adopts an ecosystem approach. It specifically responds to the need for adaptation to climate change by maintaining an altitudinal gradient that will allow for population shifts. The project also directly addresses recommendations distilled from lessons of GEF 1 and 2, such as:

- an emphasis on sustainable use, sharing of benefits and livelihood alternatives;
- engaging effectively with the private sector;
- involving systematic stakeholder participation at all levels and stages (preparation and implementation), and building capacity at local level;
- going beyond a project mode to create an enabling environment for biodiversity conservation and mainstream it in the wider sustainable development context (including government agencies beyond the Ministry of Tourism, Environment and Communications); and
- enhancing linkages with other GEF focal areas (climate change)

## **2. Main sector issues and Government strategy:**

Due to the multi-sectoral/cross sectoral project, issues and strategies in a number of sectors are relevant:

**Environment:** Swaziland has completed a National Environmental Action Plan, and an Environmental Policy. The GOS established the Swaziland Environmental Authority (SwEA) by an act of Parliament in 1992, and the Environmental Management Act of 2002 transforms it to an autonomous parastatal organization. The 1992 Act emphasized maintenance of a healthy and ecologically functioning environment. Supporting legislation and regulations, including Environmental Impact Assessment regulations and regulations on waste management are in place, with the SwEA responsible for overseeing and coordinating implementation. These regulations explicitly incorporate Strategic Environmental Assessment (StrEA), and an initial StrEA was carried out for the most recent National Development Strategy. (The positive results are evident in the stress that the NDS places on environmental sustainability). The SEA has a Board comprised of representatives from eight government Ministries, four NGOs and 4 private citizens. The National Biodiversity Strategy and Action Plan (NBSAP), which is being implemented with GEF support under the SADC Southern African Biodiversity Support Program, is an important outgrowth of the NEAP process.

*KEY ISSUES* include: (i) a need to strengthen the capacity of SEA and others for coordination and implementation of the regulatory framework, e.g. for monitoring the implementation and impact of environmental mitigation measures, and for implementing the desired shift towards a Strategic Environmental Assessment approach; (ii) need to improve mainstreaming of environment; (iii) need to strengthen decentralized environmental management capacity and revitalize regional environmental committees.

**Natural and Cultural Heritage:** Swaziland signed the Convention on Biological Diversity on 12/06/1992, and ratified the Convention on 9/11/1994. The BCPD project is directly based on the

National Biodiversity Strategy and Action Plan (NBSAP), and has been approved by the multi-sectoral Biodiversity Program Implementation Committee as the main vehicle for implementing the NBSAP. It fulfills most of the identified objectives and proposed actions of the NBSAP, including expanding the protected area network to encompass a number of additional "Protection-Worthy Areas," promoting biodiversity conservation within production landscapes outside PAs, increasing participation of rural communities in conservation action and benefits, and integrating Swaziland fully into regional/transfrontier initiatives such as the Lubombo Conservancy and the Lubombo/Nsubane-Pongola and Lubombo Conservancy/Goba Trans-Frontier Conservation Areas. A multi-sectoral Biodiversity Program Implementation Committee has been established and is tasked with promoting the implementation of the BSAP.

The parastatal Swaziland National Trust Commission (SNTC) was established by law in 1972 as the entity mandated to proclaim and manage areas of important natural and cultural heritage. To date SNTC has received 90% of its funding from government, but it is currently undergoing restructuring to enhance its financial sustainability. It is engaged in outreach programs to build partnership with communities neighboring several Reserves (e.g. Mlawula, Malalocha). The GOS has a history of strong support for wildlife conservation and management, including substantial budget allocations to SNTC and relatively well managed Protected Areas, as well as active promotion of the establishment of Transfrontier Conservation Areas through trilateral Heads of State agreements. There is a history of multi-stakeholder and government/private sector cooperation in conservation and wildlife management. Examples include the management of several protected areas by a private sector entity ("Big Game Parks") under arrangement with the King's Office, and the Lubombo Conservancy which involves collaboration among communities, government and private sector. A recent revision of the Flora Protection Act of 1952 expanded the number of protected plant genera and species from 30 to 200 and provides for harsh penalties for offenders. The Protection of Freshwater Fish Act of 1937 provides some protection to indigenous fish species through a "closed season" and prohibits certain destructive fishing methods. There are also a number of private protected and conservation areas, some of which are engaged in ecotourism. Under the BSAP, a survey to identify "Protection Worthy Areas" has yielded specific proposals for new conservation areas. NGOs active in biodiversity conservation include the Umbuluzi Catchment Association, the Natural History Society of Swaziland, the Conservation Trust of Swaziland, the Lubombo Conservancy, the Mhlosinga Wildlife Producers Association and the Traditional Healers Organization. Swaziland has ratified the Convention on Biological Diversity as well as a number of other related international agreements and conventions.

*KEY ISSUES:* (i) SNTC legislation currently only allows for establishment of National Parks and Nature Reserves which fall within IUCN Protected Area categories 2,3, and 4, all of which prohibit human occupation. SNTC recognizes that the law must be amended to accommodate other categories of PAs to be established as well, in order to allow for the various models of community-based and multiple use conservation areas envisioned within the BTCs; (ii) there is a lack of legislation or other facilitating framework for establishing Conservancies, and a lack of clarity and effective cooperation among different institutions involved with management of wildlife resources; (iii) while SNTC has a Community Outreach Program which assists local communities (especially those neighboring SNTC reserves) to manage resources sustainably, it does not have a legal mandate to establish CBNRM programs; (iv) SNTC has weak capacity for coordinating and implementing conservation of natural and cultural heritage and some important sites have been and are being degraded and encroached; (v) there are also few incentives for private sector conservation. (vi) existing laws relating to conservation are fragmented and outdated. For example, the Game Act protects only a limited number of mainly mammal and bird species, as well as crocodiles and pythons, while the Flora Protection Act still applies only to about 200

species of plants. Other taxa do not enjoy any formal protection. A comprehensive Biodiversity Act is needed.

**Tourism:** The national Tourism Policy and Strategy stress the importance of environmental sustainability, community involvement and strengthening regional linkages. They fully incorporate the concept of the Biodiversity and Tourism Corridors (BTC), identifying them as priorities for development. A number of initiatives have already begun which incorporate these strategic principles, for example: (i) the Lubombo Spatial Development Initiative has identified nature-based tourism as a priority objective for infrastructure development; (ii) EU support for tourism sector development (under its private sector support program) includes a project for development of community-based tourism; and (iii) a pilot community-based tourism project has been established as part of the Shewula Nature Conservancy.

*KEY ISSUES* include: (i) weak tourism planning and marketing capacity, and weak integration of tourism in overall economic planning (leading to fragmentation and therefore reduction of the aesthetic appeal of the landscape); (ii) lack of focus on product development and lack of incentives for private sector investment, resulting in many prospective investors by-passing the country; (iii) the need to ensure complementarity rather than conflict among different initiatives (e.g. BTC and the proposed "Millennium Projects"); (iv) slow implementation of strategy for cross-border integration while others move forward, raising the risk that Swaziland could be by-passed -- e.g. South Africa has proceeded with infrastructure development for its part of the Northern Corridor (Barbeton-to- Bulembu Road), but Swaziland is lagging in implementing its complementary infrastructure.

**Agriculture and Forestry:** Swaziland has a new Forestry Policy in place, and the Forestry Act is under review to harmonize it with the policy. The policy was prepared with broad stakeholder participation emphasizes community co-management of forestry resources and sustainable use of indigenous forests and woodlands (e.g., proposing the establishment of community natural resource management committees). Under the policy, Forest Reserves can be managed for conservation purposes. The commercial forestry sector is also shifting towards more sustainable management with the objective of obtaining certification from the Forest Stewardship Council, and has increasingly established links with community forestry committees. The revised Flora Protection Act has extended protection to some threatened indigenous wood species. The Ministry of Agriculture is supportive of moving towards more sustainable land use, as demonstrated by an ongoing conservation agriculture pilot project (at Shewula) and its expressed interest in finding options for more economically and environmentally sustainable management of large ranches it controls, including several within the proposed BTCs. Efforts have begun to develop a coordinated national program to combat the spread of invasive alien plant species, which has been recognized as a serious threat to both biodiversity and agricultural objectives.

*KEY ISSUES* Direct and indirect agricultural policy incentives strongly favor expansion of sugarcane and other monoculture crops, and there is a strong cultural bias towards cattle and maize production as staples of livelihood and local economies. Together these factors present a significant challenge to efforts to introduce alternative land uses such as conservation and tourism. Laws against harvesting of wood for carvings and sale of fuelwood are ineffective, so uncontrolled and unsustainable wood harvesting is ongoing in many areas. The fate of several large ranches within the BTC is uncertain, with a high risk of conversion to non-biodiversity/tourism compatible uses (e.g. irrigated sugarcane) unless viable alternatives are presented.

**Public Works and Transport:** Road and related infrastructure is essential for tourism development, particularly in the case of Swaziland where 80% of foreign tourists arrive by road (from or through South Africa and Mozambique). Swaziland has a relatively good road network, with many roads in good

condition and ongoing upgrading of others. In the infrastructure sector Swaziland has prioritized several Spatial Development Initiatives, including the Lubombo SDI which is centered on tourism development (and is included within the Eastern BTC). At this stage under the Lubombo SDI a border post has been rehabilitated and a major tourism road route is being developed. Complementary investment is being developed on the Mozambique side of this Trans-frontier area. Transfrontier aspects are also very important for the Northern BTC. In the Barbeton area a major project of road improvement is underway on the South African side in, and design work is underway on the Swaziland side. However, work on the Swazi side has fallen considerably behind compared to South Africa and Mozambique. The BCPD project will help to elevate the priority of tourism-related investment within the sectoral plans of this Ministry.

*KEY ISSUES:* (i) Current road standards and criteria for assessing road feasibility, as well as sectoral plans and priorities are not compatible with nature-based tourism development and must be revised to ensure they support the BTC concept; (ii) a new international airport is being planned for an area which could conflict with the BTC concept.

**Natural Resources (Water and Mining):** Water Catchment Associations are under development for major watersheds within the BTCs; these will provide a participatory mechanism for improving catchment management and resolving conflicts. A new water bill is under discussion by Parliament. A number of watershed studies have been undertaken (e.g. with DFID, UNDP and other support), although these need to be broadened beyond the current narrow focus on water management to a broader ecosystem management perspective. A new mining policy is under development, with SNTC and SEA participation, and is expected to incorporate environmental sustainability objectives.

*KEY ISSUES:* There is a lack of concrete mechanisms to link downstream needs with incentives for better management in upstream areas (both within the country and with respect to transborder watersheds and water resources). Overall, there is a lack of understanding or appreciation of these important linkages. Currently the Dept. of Water Resources policy emphasizes increasing the area under irrigation, without sufficient attention to balancing this objective with other demands, including tourism and environmental uses. In general, there is potential for inter-sectoral policy and institutional conflict over water resource management.

**Regional Administration/Local Government:** The Regional Administration is responsible for some functions that are essential to implementation of the proposed project, such as rural extension. A Decentralization policy is under implementation, which will make the District Authorities very important players in the ISPP process.

*KEY ISSUES:* There is a general lack of technical and managerial capacity at the Regional Administration level, including the absence of a decentralized process for environmental management (currently a fully centralized function within SNTC). Under the National Environment Action Plan, Regional Environment Committees were established in principle but are not now functioning.

**Traditional Administration:** The TA system in Swaziland is strong and influential, particularly with regard to land and natural resource allocation and use. The system is clear in delineating individual communities and defining the authority of Chiefs, and provides a good basis for community-based participation and action. TAs in the proposed B-T Corridor area have already indicated interest in and commitment to conservation/tourism-based development, e.g. through the establishment of the Northern Swaziland Development Agency (Northern B-T Corridor) and the Shewula Trust.(Eastern B-T Corridor).

**KEY ISSUES:** There is a general lack of transparency and accountability within the TA system, and some sectors of the community risk marginalization. There are also some ongoing disputes regarding Chieftancy boundaries, particularly in the Eastern Corridor area.

**Human Resource Development (Health and Education):** Swaziland enjoys relatively high levels of school enrollment at both primary and secondary levels, and a high literacy rate (ca. 75%) for both sexes. This provides a good basis for local participation in the service-oriented tourism industry, including at managerial levels. Health statistics were historically good but have been severely affected by the HIV/AIDS epidemic, with average life expectancy plummeting from 57 years a decade ago to 27 years today. As in other countries, the epidemic particularly targets economically productive young adults. Attention will have to be given to ensuring increased HIV/AIDS awareness and prevention in relation to tourism development, as well as incorporating measures to ensure that economic development benefits produced through the project contribute to the national effort to deal with the social and economic crisis created by the epidemic.

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

The project is based on developing tourism an environmentally friendly land use, which can increase rural incomes while maintaining biodiversity values. This approach, is strongly emphasized in the draft Tourism Policy and highlighted in the National Development Strategy. It reflects the substantial potential for increasing the tourism flows and revenues in Swaziland, and the recognition that Swaziland's comparative advantage lies in its natural beauty and spectacular landscapes, its strong cultural traditions, and its strategic position in relation to an integrated south east African tourism product.

However, the broad consensus and commitment needed to realize this vision is not yet in place. Agricultural policy focuses on expanding commercial agriculture -- particularly sugarcane cultivation -- wherever suitable agro-ecological conditions exist. According to recent studies , this includes about 640 km<sup>2</sup> of currently unprotected land within the proposed BTCs. This represents about 13% of the total proposed BTC area, including some areas that are critical for spatial continuity. A parastatal company has been established to promote the development of new sugarcane areas (with more local participation than has been the case previously), and this company recently established new cultivation in an area which should ideally have been included in the Northern BTC. Sugarcane cultivation is profitable in large part because of protectionist policies. These are scheduled to be eliminated around the mid-point of the project, but until then it can be anticipated that pressures to transform land within the BTC will remain strong unless all stakeholders fully accept and support the BTC concept. This includes the Ministry of Agriculture and Cooperatives, which establishes the incentive framework that drives and directs new agricultural development, and the local and Traditional Authorities who play a major role in determining land and resource use.

Similarly, while the draft Tourism policy fully supports and even explicitly calls for the development of the BTCs, there is not yet a full consensus behind this vision of economic development. A number of "Millennium Projects" have been proposed, including both industrial and large scale tourism-related infrastructure which may in some cases conflict with implementation of the BTCs. While these projects have been identified and, in some cases, even approved by Government, they have not yet attracted the necessary financing to proceed. Nevertheless, as a whole they enjoy strong political backing. Another important issue is the need for a clear, consistent and transparent environment for private sector investment, with positive incentives for good environmental management and partnership with local communities, and effective regulations to prevent destructive practices incompatible with the BTC

objectives.

In the environment sector, there is strong legislation requiring environmental assessment and mitigation of specific development activities, but little legal or policy support for mainstreaming of environmental sustainability in sector-driven development plans. The Swaziland Environment Authority has a mandate but no real authority to ensure effective cross-sectoral coordination either at a policy level or on the ground. Environmental management is strongly regulatory rather than incentive-based, and is also highly centralized, with little capacity or authority at the local level. In the conservation (natural heritage) sector, the main issue is the fairly traditional approach that characterizes the current legislation. About 5% of the total land area is strongly protected as National Parks or Nature Reserves that allow no utilization and very little community involvement in management. Meanwhile, there is no legal protection and little incentive for biodiversity conservation on the remaining 95%. Similarly, a small number of animal and plant species are strongly protected under the Game Law and the Floral Protection Law, with strict penalties for illegal hunting and harvesting, but the great majority of species enjoy no protection, and no government agency has a mandate to ensure that they are managed sustainably or to assist communities to do so. Given Swaziland's growing population and declining economy (compared with its "boom period" in the 1970's and 1980's), any substantial increase in the official protected area estate is unlikely, and even the existing protected areas will be under increasing pressure. Preserving biodiversity values over a large area (up to 1/3 of the country) will require new approaches, including new types of conservation areas that enjoy strong support from local communities and incentives for land and resource use practices that maintain biodiversity and ecological functions outside these areas.

All of these important issues are addressed through the strategic decision to build the project around an Integrated Spatial and Participatory Planning (ISPP) process, anchored in an integrated ecosystem management (IEM) approach. This involves bringing together the many and diverse stakeholders in a structured process to examine and evaluate different development options and determine which provides the best prospects for achieving economic development and improving rural livelihoods on a sustainable basis. The first step in this process will be a Strategic Environmental Assessment (StrEA) which will identify, and improve stakeholder awareness of, the nature and status of available environmental and natural resources (including water), and the opportunities, constraints and trade-offs involved in using those resources in different ways. It will stress the benefits of maintaining a healthy environment and core ecological functions. The knowledge provided by the StrEA, and the broad stakeholder participation, are considered essential to build the political support and commitment at local and national levels that will be needed to ensure the implementation of the Integrated Corridor Management Plans which emerge from the ISPP process.

Unlike conventional sectorally-led planning processes, the ISPP will bring together different sectoral perspectives and interests from the beginning in order to identify and resolve conflicts and to seek common ground. This includes, for example, evaluating the pros and cons of alternative and potentially conflicting development proposals, such as some of the proposed Millennium Projects. While a truly participatory planning process cannot be directed from the outside to reach a predetermined outcome, there is already enough demonstrated interest in and support for the BTC concept among key stakeholders to create confidence that something consistent with the BTC will emerge from the process. In addition, the investment capital available from the GEF grant should make development options that promote biodiversity conservation more attractive, enabling biodiversity to compete with agriculture on economic terms in the short and medium term as well as the longer term. For example, it will make it both possible and attractive for communities to establish and rehabilitate community conservation areas and for NGOs to assist communities to develop more sustainable natural resource management practices. The GEF grant is also expected to leverage additional funds for these purposes, including, for example, Community Development Carbon Fund and/or BioCarbon fund investments to support reforestation or

agroforestry activities.

In addition to the ISPP approach, the project includes a number of measures to address specific sectoral issues. For example, support will be provided to assist the Swaziland Tourism Authority and the Tourism Department to develop standards, regulations, model concession and contract agreements, and incentive instruments, and to carry out marketing and promotion, to attract the right kind of private sector investment and encourage external investors to enter into partnership with local communities. Training will also be provided to assist communities to enter into fair and mutually beneficial joint ventures with investors. The preparation phase Participation Strategy will evolve into a Communication Strategy during project implementation to continue building awareness and political support. The process of carrying out Strategic Environmental Assessments will provide an opportunity for building local environmental management capacity by revitalizing the regional Environmental Committees. It will also identify specific strategies for targeting project opportunities and benefits to households affected by the HIV/AIDS crisis where possible. The development of a national Biodiversity Conservation Policy is aimed at clarifying the roles and enhancing cooperation among different governmental and non-governmental entities. The Strategic Tourism Infrastructure Development Plan will examine existing standards for roads and other infrastructure and recommend any modifications needed to ensure compatibility with the nature-oriented tourism development model of the BTCs.

The greatest challenge for carrying out the ISPP process and implementing the resulting spatial development plans is to identify or establish appropriate institutional structures that can achieve the cross-sectoral and area-wide coordination, enable effective participation by all stakeholder groups, attract and channel resources, and ensure a supportive political and policy environment. The latter includes, for example, empowerment of local communities to participate fully in land and natural resource management decisions and actions, and creating a business environment that attracts and facilitates responsible private sector investment. Potential institutional structures will be explored in detail during project preparation, in close consultation with the various stakeholders.

## C. Project Description Summary

### 1. Project components (see Annex 1):

The BCPD is an innovative and challenging project which will introduce a landscape/ecosystem management approach to achieving biodiversity conservation and sustainable economic development in two broad geographic areas (a “Northern Biodiversity and Tourism Corridor” running east-west across northern Swaziland, and an “Eastern BTC” which runs north-south along the eastern part of the country), which together cover about 4800 km<sup>2</sup>, or 1/3 of the country. These BTCs represent a spatial scale large enough to encompass important biological and ecological functions and to provide a critical mass of tourism attractions and opportunities for private sector investment.

Each BTC would consist of a mosaic of four main types of land use that each contribute to the overall objectives in their own way:

- **Core protected areas** may include both existing formally gazetted PAs and new areas under some form of community-based conservation scheme.

- **Tourism development zones** will be based on high potential for attracting tourism investment and contributing to local sustainable development.
- **Linkage areas** may serve an ecological function (ensure habitat continuity, migratory pathways, etc.) and/or a tourism function (e.g. creating a suitable circuit that hikers or others can follow between tourism development "foci").
- **Support areas** are the remaining areas within the corridors, where neither biodiversity conservation nor tourism development will be priority objectives, but where improved natural resource management is required to support the broader conservation and tourism objectives, and where communities can participate in and benefit from the conservation and tourism initiatives taking place in neighboring areas, for example by supplying goods and services to tourism facilities.

(The first three areas are referred to below as the "backbone" of the BTCs)

The project is comprised of five components:

#### **A. Integrated Spatial and Participatory Planning Process and Development of Integrated Corridor Management Plans (\$2.22 Million, of which \$ 0.90 million from GEF)**

The ISPP process provides a mechanism to bring together diverse stakeholders and provide them with the information necessary to identify, evaluate and choose among alternative options for use of land and resources in order to achieve sustainable economic development. Unlike conventional top-down, sector-driven planning activities, the ISPP stresses broad participation and cross-sectoral coordination as a means of highlighting common objectives and identifying and resolving potential conflicts. The underlying objectives of the planning process will stress the conservation and sustainable use of natural resources, particularly the biodiversity, ecological systems and processes, and aesthetic landscapes of the area. To ensure environmental sustainability and positive social and local economic impacts, the ICMPs will be based upon Strategic Environmental (including Social) Assessments and on economic analysis. The latter will emphasize the economic value of the land and natural resource base and estimate the short- and long-term costs and benefits associated with various development options.

The expected outcome of the ISPP process is an "Integrated Corridor Management Plan" (ICMP) which will provide the framework for land use, development and investment within each proposed BTC, applying not only to activities under this project but to all investment and development. To serve this purpose, the ICMPs must have strong support from all the stakeholders who participated in developing them, from government Ministries to Traditional Authorities and local landowners. They must also receive concrete financial support from Government and donors (including, but not limited to the GEF grant, which will target implementation of biodiversity conservation activities within the Plans). Finally, they must benefit from some form of official recognition and formal authority for the objectives, plans and standards they define. The mechanism for achieving this will be identified during project preparation. It could for example involve giving legal standing to the ICMP itself, or establishing a governing structure such as a Corridor Board tasked with overseeing implementation of the Plan (relevant examples of each approach exist from other countries).

The ISPP process will take place on several levels:

- (i) at the regional/national level, placing the proposed BTC in the broader context of maintaining large-scale ecological patterns and processes and contributing to the development of multi-national tourism routes and circuits;
- (ii) at the level of each BTC, to ensure connectivity and complementarity of land uses within these broad areas; and
- (iii) at the level of specific land use areas within each Corridor (e.g. developing management plans for conservation areas or tourism development plans for tourism zones).

The project will support the ISPP process through three subcomponents:

- (1) Strategic Environmental Assessment (StrEA) (\$0.9 million): StrEAs will be carried out for each BTC in order to provide the data and analysis needed to make informed decisions about development options and trade-offs, and to ensure the environmental sustainability and social soundness of proposed management and development plans. The StrEA will also provide an overall context and framework for later site- and investment-specific Environmental Assessments. This subcomponent will be implemented by the Swaziland Environment Authority (SwEA).
- (2) ISPP Unit (\$0.62 million): the project will support the establishment of a small Unit within the appropriate Ministry (e.g. Ministry of Economic Planning and Development or Ministry of Tourism, Environment and Communications) to lead and coordinate the ISPP process. There is no existing government department with the mandate and capacity to undertake this task. The Ministry that hosts it will assign at least one senior and two technical staff to the Unit on a full time basis. Because the ISPP is a new approach and calls for significant re-orientation of traditionally sector-driven planning processes, the project will support a substantial amount of long- and short-term Technical Assistance and training for Unit staff and for partners, particularly from sectoral agencies, who will work with the Unit on a regular basis to help design and guide the ISPP process. The project will also fund equipment (e.g. computers, GIS software) and incremental operational support for the Unit.
- (3) Implementation of the ISPP Process (\$0.7 million): Implementation of the ISPP process and preparation of the ICMPs will involve stakeholder meetings, technical workshops, awareness raising and training for the wide variety of stakeholders to enable them to participate effectively, studies and analyses needed to support the ISPP process, and development and implementation of a Communications Strategy. The project will fund technical assistance, training, consultancies, vehicles and equipment and operating costs associated with these activities.

**B. Participatory Biodiversity Conservation and Management (\$ 3.96 million, of which \$3.33 million from GEF)**

In the BCPD project, conservation of globally and locally significant biodiversity represents both a core objective in itself and a basis for environmentally and economically sustainable tourism development. The project will support the implementation of many aspects of the National Biodiversity Conservation Strategy, including expanding the network of Protected Areas to encompass a number of additional “Protection-Worthy Areas,” promoting biodiversity conservation within production landscapes outside PAs, increasing participation of rural communities in conservation action and benefits and strengthening regional linkages through Transfrontier Conservation Areas. It addresses key biodiversity threats identified in the BSAP, including pressure for conversion of land to agriculture and other uses, unsustainable exploitation of biodiversity resources and the spread of invasive alien species into both natural and agricultural areas. GEF funding is sought to support for conservation investments on the ground (the establishment of core conservation areas to protect globally significant biodiversity sites and linkages) and to build the technical capacity within and outside government to maintain them over the long term. GOS and other funding will be sought for aspects such as conservation policy development, strengthening SNTC in relation to business management and transfrontier cooperation, and development of an invasive species eradication strategy.

(1) Development of a National Biodiversity Conservation Policy and Review of Legislation. (\$ 0.21 million) The GOS and other stakeholders have identified the need to develop a National Conservation Policy in order to set specific conservation objectives and targets, to identify and support a variety of approaches (including use of economic and other incentives), and to clarify the roles of various actors and stakeholders. The existing legislation will need to be revised to harmonize across sectors and to support the National Biodiversity Conservation Strategy (and the BTC concept), for example by allowing for the formal establishment of a broader range of Protected Area (PA) types. Presently the law recognizes only IUCN PA categories 2,3 and 4, all of which exclude all human activity and use. While retaining the current classification for existing PAs, the objective is to enable formal establishment of other PA categories that allow for multiple use and community participation. Financing would be provided for short term Technical Assistance and workshops.

(2) Re-orientation and strengthening of conservation organizations (\$1.4 million). This sub-component aims to strengthen SNTC’s capacity in several key areas: (i) for supporting community-based conservation, both through its own initiatives and by working in collaboration with NGOs and Community-based Organizations; (ii) for conservation planning, including use of GIS-based systems; (iii) for improving its business management to become more financially viable (including strengthening its capacity to work with private sector partners through contracting and concessioning); and (iii) for participating in transfrontier conservation initiatives. It would also provide some support for NGOs and CBOs to assist communities to establish and manage conservation areas and enterprises, and for a Biodiversity Database Unit (currently under development) to collect and manage biodiversity data for conservation planning. Financing would be provided for long term and short term Technical Assistance, in-service and external training and secondments, targeted operating costs (e.g. for

attending Transfrontier related activities), computer equipment and accessories for biodiversity data management, and a small grants fund for NGOs and CBOs to support community conservation activities.

(3) On-ground Conservation Investments (\$2.0 million). This subcomponent would concentrate on establishing new conservation areas within the BTC, in accordance with priorities identified by the ongoing Protection-Worthy Areas Survey and the ISPP process. This would include both formal PAs to be proclaimed and managed by SNTC, and community conservation areas, including. Funding would be provided on the basis of proposals submitted to a Project Steering Committee, with a nominal allocation of up to \$200,000 per PA. The types of investments envisaged include direct capital investment in infrastructure (e.g. fencing, roads and trails, in accordance with PA management plans), wildlife restocking, etc. The project would also help put in place economic incentives, including support for operating costs on a declining basis, to encourage communities to protect high priority conservation areas. The expectation is that the need for this type of subsidization would decline as other types of economic benefits begin to materialize. Co-financing from sources will be actively sought, for example carbon sequestration funds for reforestation and restoration of key PA or linkage areas. .

(4) Development and Initiation of a Program for Alien Plant Eradication. (\$ 0.35 million). Invasive alien plants represent a serious and growing threat to native biodiversity in many parts of the country, including within the proposed BTC. An actual program to eradicate (or at least greatly reduce) this infestation will be very expensive and will have to be supported through a major and sustained effort similar to the “Working for Water” program in South Africa. Under the BCPD project, support would be provided for Technical Assistance and associated operating costs to identify and prioritize invaded sites and to develop a strategy and a detailed and costed plan for tackling the problem.

### **C. Sustainable Tourism and Private Sector Development (\$ 1.74 million, of which \$ 0 from GEF)**

Tourism development represents both a core objective of the BTC (as a source of economic growth for rural communities), and an essential justification and support for biodiversity conservation. At present, Swaziland is primarily a transit destination (between South Africa and Mozambique), with less than 30% of foreign tourists who enter the country staying overnight. The objective of the project is both to capture a larger share of the existing southern Africa tourist flows and expenditures, and to contribute to a significant expansion of the regional market as an important element within developing large south east Africa tourism circuits. The European Union is currently providing some support for the tourism sector under its Private Sector Support Program. This includes both policy level support and a grants scheme aimed at encouraging the development of small, community-based tourism enterprises. The current EU project is expected to close in two years, but it is anticipated that approval of the BCPD may leverage a continuation of the program, including support to the activities described below. As

tourism development supports important national economic objectives, it is not considered to be an incremental cost to achieve global objectives, and no GEF funding is proposed.

The subcomponents of this component are:

(1) Strengthening Tourism sector policy and the associated regulatory framework to support the BTC concept. (\$ 0.03 million) Specifically, this involves providing a policy and legal basis for the development of Tourism Zones within the Corridors, with associated standards to guide and regulate the types of investment and development that can be undertaken (thus supporting the implementation of the ISPP process and the resulting ICMP). Support will be in the form of short term TA;

(2) Delineation and Development of Management Plans for Tourism Zones within the BTC (\$ 0.17 million). The ISPP process would identify areas within each BTC where tourism development would be most viable and most beneficial for the success of the Corridor as a whole. The next step would be to actually delineate the sites and develop management plans to guide investment within these target sites. As with the Corridor level ISPP, these plans should be based on Strategic Environmental Assessments. During the course of the project it is expected that about 5 Tourism Zones would be identified and undergo this more detailed planning process. The project would finance technical assistance, workshops and operating costs.

(3) Stimulating responsible (commercial and community) tourism investment. (\$ 1.48 million). This subcomponent would continue the initiative begun in community tourism component of the EU's Private Sector Support program. This EU component aims to provide small grants to assist communities to start up tourism-related enterprises (often in collaboration with, or with the assistance of, local NGOs or private sector operators). Because of the need for a great deal of awareness raising and capacity (1) building, it is unlikely that many such enterprises will be launched by the close of the current EU project; therefore the BCPD would step in to carry on the effort. Unlike the EU project, however, the proposed enterprises would not be ad hoc and isolated initiatives but would be identified, evaluated and supported in the context of the Tourism Zone plan and the broader ICMP. Small scale enterprises and initiatives are much more likely to succeed and be sustainable if they are part of a larger product development which will bring in the critical mass of tourists needed. In addition to continuing the program of support for small scale community-based tourism enterprises, this subcomponent of the BCPD will support the development of appropriate tendering procedures and documents for tourism investment, training to enhance community members' ability to manage tourism related enterprises and/or to participate in joint ventures with private sector investors, marketing and promotion of the BTC as a unique tourism attraction, and support for product enhancement in accordance with Tourism Zone management plans (including matching grants to the private sector). Under this component the project would support short term TA, training, and development grants for enterprise development and product enhancement.

(4) Development of a Strategic Tourism Infrastructure Plan. (\$ 0.06 million). Strategic infrastructure is essential for tourism development, particularly in relation to the landscape level initiative represented by the BTC, whose concept depends on facilitating tourist flows and linkage among sites along the Corridors. This includes both roads of appropriate design for nature-based tourism and other elements such as walking or bicycling trails, scenic outlook sites, improved border posts, etc. The ISPP process will identify general infrastructure needs, which will then need to be further refined into a prioritized and costed plan. The Strategic Infrastructure Plan will serve as a basis for re-orienting public sector investment, for attracting private sector investment and for leveraging and channeling support from bilateral and multilateral donors (currently donor support to the infrastructure sector does not benefit from such a strategic framework). The Plan will also review existing road standards and make recommendations for revisions or provisions to provide the flexibility needed to develop infrastructure that supports the aesthetic elements of the BTC concept. Support will be in the form of short term TA.

**D. Sustainable Community-Based Natural Resource Management and Community Empowerment in Linkage and Support Zones (\$2.07 million, of which \$ 0.5 million from GEF).**

An essential aspect of the BTC concept is that the core conservation areas and priority tourism development zones are physically linked to to maintain essential ecological processes and provide an cohesive tourism route across the country. The core conservation areas, key tourism development areas and the "linkage" areas that provide essential connectivity, may be regarded as the "backbone" of the BTC. This "backbone" cannot stand on its own, however, but must be supported by compatible land and resource use in surrounding areas. For example, an attractive nature-based tourism route requires scenic vistas such as forested hillsides and clean rivers, and can be undermined by evidence of deforestation, soil erosion and pollution. Similarly, a lack of well managed and adequate wood, fertile land and other natural resources outside PAs often leads to encroachment and poaching by local communities. Therefore, the BTC model also includes "support areas," in which the objective is to promote management of land and natural resources in ways that support the BTC concept, and to spread the economic benefits of the conservation and tourism initiatives to a larger number of local communities.

The project will support improved natural resource management use practices in linkage and support zones of the BTC. The priority sites and issues to be addressed will be identified through the ISPP process. Implementation will be through grants provided to experienced NGOs and CBO's based on specific proposals. The majority of this component is expected to be funded by GOS and bilateral donors interested in supporting sustainable rural livelihoods. A modest amount of GEF funding is sought to support activities with direct biodiversity benefits, such as restoring natural habitats in linkage zones to facilitate gene flow. Other funding options will also be explored, such as carbon financing for agroforestry or for re-afforestation of degraded areas with indigenous species.

**E. Project Management and Monitoring and Evaluation (\$1.33 million, of which \$ 0.77**

**million from GEF)**

Because of the multi-sectoral nature of the project and the limited experience of GOS agencies with implementing World Bank-financed operations, a small Project Implementation Unit will be established to manage and administer the project (including procurement, financial management and coordinating preparation of annual work plans and progress reports). This PIU will be placed within an appropriate Ministry (to be determined during preparation) and provided with the necessary authority to implement its cross-sectoral coordination responsibilities. The PIU will be responsible for preparing and implementing a Monitoring and Evaluation Plan. This will include refining performance indicators to ensure that they are relevant, realistic and measurable, establishing baselines, and tracking measurable progress against them. Given the innovative and "learning by doing" nature of the project, the M&E plans will also provide the basis for adaptive management. The M&E plan will include an independent Midterm Evaluation. Support for this component will include vehicles and equipment, operating costs, training, contracting of a private audit firm and short term Technical Assistance for developing and implementing the M&E plan.

NOTE: The following Table mistakenly indicates 100% GEF financing, because presently no financing is being indicated from IBRD

| <b>Component</b>   | <b>Indicative Costs (US\$M)</b> | <b>% of Total</b> | <b>Bank financing (US\$M)</b> | <b>% of Bank financing</b> | <b>GEF financing (US\$M)</b> | <b>% of GEF financing</b> |
|--|---------------------------------|-------------------|-------------------------------|----------------------------|------------------------------|---------------------------|
| Integrated and Participatory Spatial Planning (including Strategic Environmental Assessment) | 2.22                            | 18.7              | 0.00                          | 0.0                        | 0.90                         | 16.4                      |
| Participatory Biodiversity Conservation and Management                                       | 3.96                            | 33.3              | 0.00                          | 0.0                        | 3.33                         | 60.5                      |
| Sustainable Private Sector-Driven Tourism Development  | 1.74                            | 14.6              | 0.00                          | 0.0                        | 0.00                         | 0.0                       |
| Sustainable Community-Based Natural Resource Management and Community Empowerment            | 2.07                            | 17.4              | 0.00                          | 0.0                        | 0.50                         | 9.1                       |
| Project Management and M&E   | 1.33                            | 11.2              | 0.00                          | 0.0                        | 0.77                         | 14.0                      |
| Unallocated Contingency  | 0.58                            | 4.9               | 0.00                          | 0.0                        | 0.00                         | 0.0                       |
| <b>Total Project Costs</b>   | <b>11.90</b>                    | <b>100.0</b>      | <b>0.00</b>                   | <b>0.0</b>                 | <b>5.50</b>                  | <b>100.0</b>              |
| <b>Total Financing Required</b>  | <b>11.90</b>                    | <b>100.0</b>      | <b>0.00</b>                   | <b>0.0</b>                 | <b>5.50</b>                  | <b>100.0</b>              |

## **2. Key policy and institutional reforms to be sought:**

Currently economic development planning in Swaziland is largely sectorally-driven, with the Government allocating budgetary resources based on sectoral development programs that are prepared independently by line Ministries. While the National Development Strategy provides an overall framework, it is not sufficiently specific or prioritized to serve as a mechanism for cross-sectoral coordination. The Integrated Spatial and Participatory Planning (ISPP) approach calls for more pro-active cross-sectoral coordination. The institutional structure for achieving this will be determined during project preparation. Agreement and consensus among those being coordinated is essential for any institutional structure for coordination to succeed. It is likely that MEPD will emerge as the most logical Ministry to lead the ISPP process (e.g., given its mandate to lead Spatial Development Initiatives), but it remains to be determined whether current GOS policies support MEPD taking on this role. This will be clarified during project preparation.

Successful implementation of the project will require clarification of the objectives and roles of different entities (the SNTC, NGOs, local communities) with regard to biodiversity conservation, including legal provisions for the creation of new categories of Protected Areas, such as Community Conservation Areas. The project will support development of a national Conservation Policy to address these issues and provide a firm policy basis for the conservation investment component. Project preparation (the Environmental and Social Management Framework) will explore whether current livestock sector policies promote and subsidize unsustainable livestock production over land uses that are more compatible with biodiversity conservation and tourism, and will make recommendations for any policy reforms that should be sought. Similarly, the ESMF will indicate whether any policy level action is required to clarify or strengthen local land and property rights to enable communities to enter into joint ventures with prospective tourism investors.

The Tourism Policy and Strategy strongly support both the objectives and the approach of the project, and the MEPD and MTEC have both indicated strong support for the BTC concept and the project. At the same time, however, there is also clear support for initiatives such as new sugarcane development and the proposed Millennium Development Projects, some of which could conflict with the BTC. During project preparation assurances will be sought regarding GOS commitment to the BTC and the ISPP process and mechanisms for ensuring coherence of development strategies will be identified.

## **3. Benefits and target population:**

The total area encompassed by the proposed BTC is about 4800 square kilometers, with a population of about 200,000 (36,700 households). (This represents approximately 1/3 of the total land area, and 20% of the total population of Swaziland). Of these, 2100 sq km and 170,000 people are in the "support areas" as defined above. About 800 sq km (27%) of the land within the Corridors is Government ranches, a small percentage is privately owned and titled commercial agricultural land and plantation forest, and the remainder (68%) is Swazi Nation Land (SNL), occupied by rural communities and administered by chiefs.

The low population density within the "backbone" of the Corridors (comprised of the conservation,

tourism development and linkage areas) is expected, because the Corridors were designed to incorporate as much as possible of the relatively untransformed and unsettled "protection-worthy" natural habitat areas of the country, with high biodiversity and nature tourism value. The implication is that there will be little need for physical or economic displacement of people in order to improve or establish conservation areas, and only a limited number of communities will be targeted for efforts to promote direct community-based tourism enterprises. A substantially larger number of people are expected to benefit from natural resource management -related activities in the support zones.

80% of Swazis live in single family households under chiefs and engage in subsistence agriculture. 65.5% live below the poverty line (the percentage is likely to be somewhat higher in the project target area, which has few towns). Large families are common particularly in rural areas. Polygamy remains legal but is declining.

Livestock represent both an important economic resource and a center of the traditional culture. Overstocking of livestock and degradation due to overgrazing are common in communal areas: average densities of cattle are much higher on SNL than on Government ranches. Few households are able to subsist only on their crops and livestock, however, so most have one or more family members (usually males) engaged in some form of off-farm salaried employment. Women are primarily responsible for cultivating the fields and collecting wood and water as well as managing the household. .

About 80% of energy in the project area comes from woodfuels, and about 35% of the population depends on rivers and streams for water. This highlights the importance of sustainable natural resource management to local livelihoods. Hunting also still represents a significant activity among rural males, despite being illegal and decreasingly productive as populations of wildlife species decline.

Despite the fact that school enrollments are and literacy rates are equally high for men and women , women are considered legal minors regardless of their age. This could have implications for the impacts and appropriate design of the project, particularly in relation to the possibility of displacing natural resource-based land use (involving women) with income-earning tourism activities (more likely to involve men). Women should in principle benefit most because of their primary role in natural resource use, but special attention will be required to ensure that they are not legally or culturally constrained from participating in project benefits.

The HIV/AIDS epidemic has had a major impact on health, life expectancy and economic conditions in the project area (as in the country as a whole). For example, a 2001 GOS study indicated that 34% of pregnant women and 78% of tuberculosis patients were HIV positive. An estimated 10,000 children are being orphaned annually due to HIV/AIDS (in a total population of 900,000). The care of these orphans presents a growing stress on already marginal rural households. The population growth rate has declined from 3.6% a decade ago to 2.9%, as a result of increased death rates rather than reduced birth rates. Average life expectancy has reduced from 57 years to 27 years.

#### **4. Institutional and implementation arrangements:**

**Component A: Integrated Spatial and Participatory Planning:** The appropriate institution to lead this component will be determined during project preparation. The key criteria will be the ability to ensure coordination among the diverse sectors and stakeholders and ensure that the outputs of the process (the Integrated Corridor Management Plans) are mainstreamed into national and local development strategies and programs. ISPP is a new and innovative approach for which there is little on-the-ground experience, and “learning by doing” will be essential. A small ISPP support unit will be established and staffed by the selected institution, and will be provided with international and local technical assistance and training, equipment and operational support under the project. Mechanisms for bringing the ISPP process down to the ground level will be identified during project preparation (this is an explicit objective and element of the Participation Strategy within the project preparation plan).

Strategic Environmental Assessment (StrEA) is an essential element of the ISPP process, which aims to mainstream environmental sustainability into economic development planning. The Swaziland Environment Authority (SwEA) is the responsible entity for StrEA in the country and will lead the StrEA process at the corridor level and in sub-areas (e.g. tourism zones) as appropriate. While SwEA has a clear mandate in this area, StrEA is a relatively new and evolving model and there is little experience in applying it at the scale and scope of this project. Therefore, the project will provide substantial technical assistance and training as well as operational support to strengthen SwEA capacity to design, implement and monitor StrEA.

A number of other institutions have specific roles to play in the ISPP process, such as providing essential data and participating in decision making and implementation. They will receive targeted short term technical assistance and/or training for this purpose. They include: SNTC (for identifying key conservation-worthy areas and land uses); the Land Use Planning and the Livestock and Veterinary Services Department of the Ministry of Agriculture and Cooperatives; the Rural Development Section of the Deputy Prime Minister’s Office; the Surveyor General’s office; the Prime Minister’s office (for ensuring effective community participation, as the apex of the traditional authority (Tinkhundla) structure); and others to be determined during project preparation.

**Component B: Support to Participatory Biodiversity Conservation and Management:** The Swaziland National Trust Commission (SNTC) will be primarily responsible for this component, which it will implement in close cooperation with community-based organizations and conservation-oriented NGOs. The Biodiversity Database Unit will provide essential inputs to support conservation planning. The specific roles of different organizations will be clarified through the process of developing a conservation policy and reviewing/revising related legislation. It is envisaged that SNTC will be directly responsible for implementing conservation investments relating to Protected Areas under its jurisdiction, and will contract with local conservation-oriented NGOs to support development of community conservation areas.

**Component C: Sustainable Tourism and Private Sector Development:** The Swaziland Tourism Authority (STA) will be the lead agency for this component, in cooperation with the Tourism Department of the Ministry of Tourism and Environment, local Traditional Authorities

and community-based organizations. STA has a recognized role and capacity in tourism planning. Under this project, that sectoral planning will be brought within a multi-sectoral spatial framework. STA already has a small unit responsible for supporting community-based tourism, which is currently participating in implementation of the EU-financed community tourism project (a component under the broader private sector support program). It is envisaged that the BCPD project will build upon and continue the work of the EU-financed project (which is scheduled to close in 2005). One of the main objectives of the project is to strengthen local stakeholders' associations such as the Northern Swaziland Economic Development Agency and the Lebombo Conservancy, and to stimulate the development of other similar entities. These associations are expected to play a large role in identifying, developing and implementing community-based tourism initiatives. STA, the Tourism Department and the Swaziland Investment Promotion Authority are all likely to participate in the tourism marketing and promotion aspect of the project, and will play a vital role in providing technical support to community organizations and initiatives, given that most of the local communities have a limited understanding and no experience in tourism.

**Component D: Sustainable Natural Resource Use and Community Empowerment:** This component aims to improve land and natural resource use practices, particularly in the linkage and support zones within the corridor (i.e., those areas which are not designated as protected areas for biodiversity conservation or tourism development zones). Institutional arrangements for this component will be determined prior to Appraisal. A likely arrangement is that the Community Development Section of the Deputy Prime Minister's Office will be the lead agency, hosting a senior TA who will collaborate also with the Ministry of Agriculture and Cooperatives and the Ministry of Natural Resources, which together have responsibility for supporting sustainable management of all land and land-based resources. It is envisaged that the DPM will contract experienced local NGOs to work with local communities to develop and implement appropriate interventions and investments under this component.

**Component E: Project Management and Administration:** A small Project Implementation Unit will be established to manage and administer the project, with respect to procurement, financial management, coordination of work plans, project level M&E and reporting. The location of this PIU (i.e. hosting agency) remains to be determined. A PIU is necessary both because of the demands of coordinating among multiple implementing agencies and stakeholders, and because the Swaziland Government has limited project implementation and associated World Bank procedures and requirements.

## **D. Project Rationale**

### **1. Project alternatives considered and reasons for rejection:**

The essential design elements of the proposed project are that:

- (i) it integrates biodiversity conservation, tourism and natural resource management to enhance the effectiveness and sustainability of all three;
- (ii) it involves developing and implementing land use plans on a large landscape scale (and in

the context of even larger regional processes), beginning with a considerable investment in the planning process itself;

(iii) it follows a multi-sectoral and multi-stakeholder approach, which will require new institutional arrangements;

(iv) it aims to attract private sector investment and involvement to develop community-oriented tourism by creating an enabling environment and appropriate incentives.

The main alternatives considered and rejected were:

(i) a project focused on biodiversity conservation alone, without the elements of community-based tourism development and natural resource management. This was rejected because biodiversity conservation in Swaziland will not be sustainable unless it is linked to economic benefits at local and national levels.

(ii) a project involving site-specific conservation, or conservation/tourism interventions, without attention to linkages and connectivity or an overall ISPP framework. This was rejected because the aspect of linkages is essential to the value and sustainability of both the biodiversity assets (e.g. the opportunity to support transfrontier conservation areas and to preserve an unbroken altitudinal gradient of natural habitats are important features of the global biodiversity significance of the project) and tourism development (Swaziland's potential to increase its tourism levels substantially depends on its being able to capture a share of existing tourism flows between Mozambique and South Africa, and ultimately on becoming an integral part of a large sub-regional tourism circuit). Some form of spatially based planning process is needed in order to coordinate land uses to support these essential linkages. The participatory, multi-sectoral ISPP approach was chosen to overcome some of the shortcomings that have constrained or derailed the SDI approach, particularly its top-down nature, its failure to achieve broad stakeholder support and participation, and its relatively superficial treatment of environmental and social equity issues.

(iii) focusing on only one BTC, rather than two. This was rejected because both of the proposed BTC represent important biodiversity and tourism values, and there is considerable interest on the part of Government and local stakeholders to proceed with both. In addition, each of the Corridors provides particular opportunities and challenges. Population densities are higher in the Northern corridor, which may make it more difficult to adjust land uses in some areas as required to implement the Corridor concept. However, there is already a relatively high level of awareness and experience with tourism development and a highly motivated and somewhat organized set of stakeholders (e.g., a number of local chiefs, businessmen and other leaders have formed the Northern Swaziland Economic Development Agency, which emphasizes tourism development). The Eastern Corridor has a lower population density and has a "head start" in that it includes the Lubombo Conservancy, which has initiated government/community/private sector partnership to promote nature-based tourism and other conservation-oriented land uses. It also includes the Lubombo SDI, which has made some limited progress towards developing infrastructure to support tourism (a rehabilitated border post, beginning of rehabilitation of a

road). Outside these initiatives, however, there is little awareness or experience with tourism development and little stakeholder organization.

(iii) substantially reducing inputs for institutional development and capacity building, particularly for long and short-term international Technical Assistance. This was rejected because establishing appropriate institutional structures (in the broad sense, including both organizations and "rules of the game" such as policies, incentive frameworks, business practices, etc.) is fundamental to the success of the project, but at the same time it presents a considerable challenge. The ISPP process will forge new ground in many areas where there is very little experience or capacity in the country, including implementation of Strategic Environment Assessment and the application of an Integrated Ecosystem Management approach, achieving effective cross-sectoral cooperation among government agencies in planning and implementation; bringing a wide range of stakeholders together in a common planning process; creating a supportive environment and appropriate incentives for responsible private sector investment, etc.

(iv) reducing the duration of the project (e.g. to 5 years). This was rejected because it was recognized that the essential institutional development and planning aspects of the project, which must precede much of the other investment, are likely to take several years to achieve. They involve establishing new and unfamiliar institutional relationships and processes, and overcoming perennial problems such as narrow sectoral perspectives and "turf consciousness." In addition, much of the project revolves around raising awareness and developing capacity at the community level both for conservation action and for tourism-related development. Experience has shown that such community-focused initiatives can be very time-consuming, particularly if they are introducing new ideas and involve changes in basic livelihood patterns. In Swaziland the issue is compounded by a very strong cultural tradition which requires that the chiefs be fully on board before it is even possible to meet with or engage in awareness raising or discussions with communities.

(v) relying on the public sector to implement to provide financial and technical support for development of community-based tourism. This was rejected both because it is GOS and Bank policy to promote private-sector led development in the country, and because the public sector in general is a notoriously inefficient and ineffective player in the highly competitive tourism industry. Instead, the role of government in this project will be to provide an appropriate (transparent, economically supportive) environment and incentives to attract and support responsible private sector tourism investment. Government's role will often stress support and facilitation, rather than direct implementation, in other components as well. For example, it is envisaged that NGOs will be responsible for implementation of most of the support for community conservation and natural resource management, through a contracting arrangement with government agencies (SNTC, DPM, etc.) who will set policies, criteria and operational guidelines and provide oversight.

## **2. Major related projects financed by the Bank and/or other development agencies (completed,**

ongoing and planned).

| Sector Issue   | Project  | Latest Supervision (PSR) Ratings<br>(Bank-financed projects only) |                            |
|--|--|---|----------------------------|
|  |  | Implementation Progress (IP)                                      | Development Objective (DO) |
| <b>Bank-financed</b><br>Urban Development<br>Education<br>Protection of Children and Orphans<br>Rural Electrification  | Urban Development 1<br>Under Preparation<br>Under Preparation<br>Planned   | S   | S                          |
| <b>Other development agencies</b><br>EU<br><br>Republic of China (Taiwan)<br><br>GEF/SADC<br><br>DANCED<br>IFAD<br>COSPE (Italian NGO)<br><br>Development Bank of Southern Africa<br><br>GEF/IDA | Private Sector Support Program<br>(including tourism component<br>with community tourism<br>subcomponent)<br><br>Survey on fish diversity and<br>distribution<br><br>Southern Africa Biodiversity<br>Support Program<br><br>Forestry Policy and Legislation<br>(Rural Livelihoods Project?)<br><br>Shewula Natural Resource<br>Management Project<br><br>Lebombo Spatial Development<br>Initiative<br><br>Mozambique Transfrontier<br>Conservation Project |   |                            |

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

Relatively few donors are active in Swaziland, particularly in natural resource management or related areas.

The EU's Private Sector Support program includes a component to support tourism policy and tourism development , including a subcomponent to provide technical assistance and small grants to assist communities to develop small and medium sized tourism-related enterprises. This EU program, currently in its second year, is helping to raise awareness both nationwide and within the BCPD target areas of the potential of tourism development, and is providing important lessons with respect to the level of support and amount of time needed to get such initiatives of the ground.

Similarly, the Shewula Natural Resource Management Project, funded by an Italian NGO, shares many of the conservation and sustainable rural development objectives of the BCPD although it lacks the element of large landscape scale planning , ecosystem management and linkages.

### **3. Lessons learned and reflected in proposed project design:**

The GEF/IDA Mozambique TFCA project provides valuable lessons in relation to the need for, and difficulties of multisectoral coordination and cooperation (including the need to establish new institutional structures to support it), essential elements for creating an enabling environment to promote responsible private sector investment in tourism (and discourage undesirable investors aiming for short term returns at the expense of the environment and local communities). These lessons have been incorporated, e.g. in terms of the length of the proposed project and the types of institutional strengthening included.

The SDI experience has largely failed in Swaziland and has had mixed results elsewhere. Lessons learned and incorporated include the need for broad stakeholder participation and buy-in, for addressing lack of capacity within participating institutions, and for involving the private sector in defining the types of support and incentives required to attract substantial investment. In addition, the SDI's demonstrate the shortcomings of individual, isolated anchor projects in the absence of a larger context.

Experience from many projects and countries demonstrates that tourism development can have severe negative environmental and social consequences unless it is based on a strong environmental and social management framework. Therefore, the ISPP process at the heart of the BCPD project will begin with Strategic Environmental Assessments, and a great deal of attention will be given to empowering and enabling communities to exercise control over natural resources and to negotiate effectively with private sector investors. At the same time, investors need incentives to engage in joint ventures or collaborations with communities, given the risks and often high transaction costs.<sup>1</sup>

Experience from the Shewula Natural Resource Management Project (now in its tenth year) has shown the need for a long time frame to allow for community-based natural resource management and tourism development initiatives to develop.

### **4. Indications of borrower and recipient commitment and ownership:**

The concept of the BTC is highlighted in the Swaziland National Biodiversity Strategy and Action Plan, and in the Tourism Policy and Strategy. Through the Lebombo SDI, GOS has provided some supporting infrastructure (opening of several roads and rehabilitating a border post. The GOS has also demonstrated support for Transfrontier Conservation Areas (some of which fall within the project area) through signing of high level political agreements.

After a slow start, project preparation has moved onto a fast track over the past 5 months. Key GOS agencies and other stakeholders have been actively participating in project design and preparation, through regular meetings of the Project Steering Committee, Project Management Group and Technical Reference Committee.

On the ground a number of ongoing initiatives demonstrate the keen interest in tourism development as a means to stimulate economic growth in rural areas. In the Northern Corridor

area, a number of Chiefs, government leaders and local business leaders have established the Northern Swaziland Economic Development Agency, and have identified tourism development as a main focus. The NSEDA is very active, holds frequent meetings and is expected to contribute substantially to the preparation and implementation of the project. In the Eastern Corridor, land owned by the State, local communities and private individuals has been brought together into the Lebombo Conservancy with the objective of working together to manage the area for conservation and tourism. As part of this effort, the Shewula community contributed 3000 hectares which they have developed as a community-run tourism lodge.

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

At present no other donor is providing support for improving rural livelihoods through better natural resource management, or for the type of multi-sectoral, environmentally based spatial planning proposed under this project.

As the channel for GEF support for this project, the Bank brings technical knowledge and experience in relevant areas such as Strategic Environmental Assessment, linking of biodiversity and economic development objectives, supporting the development of large scale, transfrontier conservation areas and establishing conditions to stimulate and attract private sector investment. The Bank is also involved in several other aspects of promoting regional linkages and cross-border technical and economic cooperation in the SADC region. A proposal will also be submitted through the Bank for a PHRD Implementation Grant to support Technical Assistance to build the institutional structures and capacity needed.

Application of WB environmental and social policies will help to ensure equity and positive impact on poor rural communities and strengthen GOS policies and processes. For example, the GOS has already used WB resettlement policy /guidelines/standards previously in the context of resettlement associated with the Maguga Dam (which was not WB-financed).

GEF support will provide positive incentives to help stop dangerous trends of encroachment in important biodiversity areas, and degradation of ecosystems. By bringing in the dimension of ecosystem-level conservation and land use planning, the GEF support will support the continuation of ecosystem level processes, including maintaining options for adaptation to climate change (one of the important justifications for maintaining large areas encompassing unbroken altitudinal and other gradients). While the proposed GEF contribution is modest, it will lay the groundwork for a much larger initiative by supporting environmentally-based land use planning and helping to secure key elements of the biodiversity asset base. Involvement of the GEF also elevates the profile of the biodiversity assets both from the perspective of the Government and prospective investors. The modest leveraging ratio (GEF:other financing) within the proposed project itself does not reflect the much larger amount of public and private sector investment in strategic infrastructure and tourism product development that the project is expected to trigger.

## E. Issues Requiring Special Attention

### 1. Economic

Summarize issues below  To be defined  None

Economic evaluation methodology:

- Cost benefit  
 Cost effectiveness  
 Incremental Cost  
 Other (specify)

Incremental cost analysis has been carried out to identify the costs associated with obtaining global biodiversity conservation benefits over above what would be gained through a continuation of existing and anticipated support in the absence of GEF funding. This includes, for example, implementation of a Integrated Ecosystem Management approach and protecting/restoring biological "linkage areas," to ensure that ecological process that support biodiversity are maintained. It will also seek to distinguish between biodiversity conservation-related costs that directly contribute to economic objectives such as tourism development and more sustainable rural livelihoods, and those whose benefits accrue at the global rather than local or national level.

The development objective of the project is based on the premise that sustainable nature-based tourism, driven by private sector investment and emphasizing local participation, is a realistic and attractive economic development option in the target area. This is in turn based on the prospects for participating in, and helping to expand, an integrated regional tourism market which will provide the critical mass of tourists and investment opportunities to attract and sustain substantial private sector investment. The proposed approach is also expected to yield significant external benefits such as watershed protection. At the same time, it is recognized that there are some opportunity costs associated with this development model. These include reduced natural resource use in some areas and foregoing intensive agricultural development in areas that have been identified as having agricultural potential, as well as rejecting potential capital-intensive tourism or industrial development (such as some of the proposed "Millennium Projects,") if these would be incompatible with the project's objectives of maintaining biodiversity and natural ecosystems and landscapes. Project preparation will include an economic analysis to assess the validity of these assumptions and to provide data on the costs and benefits of the proposed development model. This analysis will address both short-term, direct financial aspects and broader, longer term issues of environmental sustainability and social equity both within and outside the project area.

During project implementation, business plans will be prepared for specific tourism development areas and investments.

### 2. Financial

Summarize issues below  To be defined  None

Under the project considerable funding is expected to be provided at the community level in the form of grants to support local tourism initiatives, community conservation areas and other activities. Project preparation will need to assess the structures and capacity at this level for receiving, managing and accounting for these funds. In some cases there may already be appropriate institutions with the necessary legal standing and active bank accounts (e.g. the Shewula Trust, and the Northern Swaziland Economic Development Agency), while in other cases it may be necessary to establish them prior to disbursing these funds. NGOs might play an intermediary role as well.

The project will provide initial capital investment for new PAs, which will have longer term recurrent cost implications, for their managers (SNTC, community groups). SNTC already has some difficulty meeting operating costs for its existing PAs, and GOS support is declining as SNTC is expected to become more self-sufficient financially. It is expected that the on-site and Corridor-wide investments will ultimately yield additional returns that can sustain both existing and new PAs, but this will require a policy of re-investment of a portion of these revenues to maintain these PAs. Furthermore, it is likely to be some time before these returns are realized, and in some cases the break-even point may never be reached (e.g. areas which represent a high biodiversity conservation priority but are not appropriate for tourism development). Some type of cross-subsidization mechanism may need to be developed. In the short term, it is likely to be necessary for the project to support recurrent operating costs as well as capital investment at least for a period of time, on a declining basis.

The project proposes to make a major "up-front" investment in developing capacity within an existing government agency or Ministry to establish an ISPP Unit to coordinate multi-sectoral spatially based planning. This project investment will be matched by in-kind investment by Government in the form of counterpart staff and office facilities. The implications of this investment will have to be explored with the Government, in terms of the prospects for integrating this function and supporting it through the regular budget in the future.

### 3. Technical

Summarize issues below  To be defined  None

The project is built upon a number of processes and approaches for which there is little practical experience to draw upon for guidance and models within Swaziland or in the region. These include Strategic Environmental Assessment, Integrated Spatial and Participatory Planning, development and implementation of local level tourism development plans, and coordinating land use across large areas and involving many and diverse stakeholders. As a result, a relatively large proportion of project funds are allocated to Technical Assistance and training, and the project has been designed to be long enough to allow several years for the ISPP process to be developed and carried out before significant on-the-ground conservation or tourism development investments are made. Emphasis will also be placed on developing and implementing an effective M&E program early in the project to allow for adaptive management and "learning by doing."

A substantial portion of the project is devoted to development and implementation of

community-based conservation areas and tourism enterprises. As a whole, the local communities in the target area have little experience with either, and will require a great deal of education, support and direct assistance to decide to engage in these activities and to be successful in them. The project will place a strong emphasis on awareness raising and communications (already begun in the preparation phase with the implementation of a multi-layered Participation Strategy), and will rely heavily on experienced local NGOs with existing linkages with the communities to provide this support

SNTC has an objective to become more financially self-sufficient but is lacking in business and related management capacity. The project aims to strengthen its capacity and assist it to adopt a more business-like operational model.

The ISPP process will be built upon Strategic Environmental Assessment (StrEA), a relatively new tool with which there is limited operational experience both within Swaziland and more generally. The Swaziland Environment Authority has adopted StrEA as its policy but will require technical assistance and training to develop its capacity to carry it out (note: some of the best experience world-wide is in South Africa).

The project's development objective is based on involving rural communities in tourism development and enterprises. However, tourism is a very competitive industry and demands a high level of technical and management skills. Both these skills and an understanding of what is needed for tourism to succeed are generally lacking at the community level. The experience of the Shewula Conservancy, the Northern Swaziland Economic Development Association, and the ongoing EU project to support community-based tourism enterprises all demonstrate that a considerable investment of time and effort is needed to create awareness build the necessary understanding and capacity. The strategy under the BCPD project emphasizes promoting partnerships and joint ventures between communities and experienced private sector investors as a means of ensuring viability and quality of community-based tourism enterprises. At the same time, the Tourism Policy and the guidelines and regulations to be developed in the context of the ICMPs will be used to ensure that these partnerships are advantageous to community interests and support local economic and capacity development.

#### **4. Institutional**

This project will require effective coordination among sectoral Ministries and agencies, and across diverse stakeholders and different organizational levels (e.g., central government, Traditional authorities and private sector). While it is expected that a multi-sectoral Steering Committee will be established, there is a need to identify an appropriate Ministry or Agency for overall project coordination and for leading the ISPP process (these may be the same or different). The Project Implementation Unit and an ISPP Unit to be established within the host institution(s) will require the capacity, mandate and authority to carry out their roles. These issues will be analyzed during project preparation through the Institutional Study, and decisions on appropriate institutions and mechanisms will be reached during appraisal. Assurances will be sought from Government that the agreed measures to empower the PIU and the ISPP Unit will be put in place.

The ISPP process will result in Integrated Corridor Management Plans (ICMP), which will establish the framework for development and investment in the project area, not only under the project but into the future. This will include establishing sites which may be developed or should be left undeveloped, environmental and aesthetic standards, requirements for local participation, etc. To be effective, these Plans will require both strong stakeholder buy-in and official recognition and political support. This may involve, for example, providing a legal standing for the ICMPs themselves, or establishing a Corridor Board with authority to approve or disapprove development proposals based on the Plans. Whatever the approach, it must have long-term sustainability to continue functioning beyond the close of the project. The Institutional Study will explore options (including reviewing mechanisms that have been used for similar purposes in other countries) and recommend specific mechanisms appropriate for the Swaziland context.

The tourism development aspect will require a substantial investment in marketing and promotion of the Swaziland tourism route, both in itself and in the context of the regional tourism market. The respective roles of the Swaziland Tourism Authority, the Tourism Dept and the private sector in this aspect will be clarified through the Institutional Study.

#### 4.1 Executing agencies:

The project will require and also assist the key executing agencies within government to adopt some new responsibilities and/or adapt to new approaches, in keeping with the ISPP process, the strong role of rural communities in both planning and implementation, and the emphasis on partnership with the private sector. The institution(s) which will coordinate the project and host the ISPP Unit will develop technical and organizational capacity to coordinate multi-sectoral spatial planning. SEA will strengthen its capacity to carry out Strategic Environmental Assessment and to support the integration of its outputs into economic development processes. SNTC will improve its business management model and will strengthen its capacity to support conservation of biodiversity and cultural heritage outside PAs under its control, with an emphasis on developing mechanisms to collaborate with NGO and private sector partners. The Swaziland Tourism Authority will strengthen its capacity to promote and support rural communities to identify and develop successful small and medium enterprises, and to encourage coordination within the industry to promote synergy and avoid conflicting or over-development. Traditional authorities at the Tinkhundla level will have an essential role in ensuring that local communities are well represented and participate effectively in the ISPP process. All the executing agencies and stakeholders will have to step outside their usual sectoral and parochial interests to embrace the objectives of cross-sectoral coordination and cooperation.

#### 4.2 Project management:

A small Project Implementation Unit will be established, to be based within the institution selected to coordinate the project. A PIU is necessary because of the multi-sectoral nature of the program (to avoid redundancy by building project management capacity within several agencies), and because of the GOS' limited experience with implementation of World Bank-financed operations. Mechanisms for providing the PIU with the necessary authority to coordinate operational aspects among the various implementing agencies will be identified and put in place. Details on the composition, location and specific operational guidelines of the PIU will be laid out in a Project Implementation Manual to be prepared in draft prior to Project Appraisal and finalized and approved prior to Effectiveness.

#### 4.3 Procurement issues:

No Country Procurement Assessment has yet been completed for Swaziland. Procurement procedures and guidelines, and a procurement plan will be included in the Project Implementation Manual. The Procurement Specialist on the Task Team will review this aspect of the PIP to ensure compatibility with World Bank requirements. The procurement plan will be updated as required as part of the annual work

plan review.

#### 4.4 Financial management issues:

No country financial accountability assessment has yet been completed for Swaziland. Financial management guidelines and procedures will be laid out in the Project Implementation Manual. A Financial Management Specialist will join the Task Team at a later stage to assist with the preparation of this aspect of the PIP and for assessment of existing financial management systems and capacity within the executing agencies and will recommend any additional provisions required for strengthening this aspect. One specific issue to be addressed will be mechanisms for disbursement of small grants to community groups for conservation or tourism related investments.

## 5. Environmental

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

The project aims to maintain natural habitats and biodiversity and to improve management of environmental and natural resources (e.g. improved grazing practices, resulting in reduced soil erosion and downstream siltation). No potential for significant negative environmental impacts is anticipated under the project itself, which focusses on land/resource use planning and establishment of conservation areas. However, the positive physical and business environment created through the project is expected to attract substantial investment in infrastructure from other public and private sector sources. This will be explored through the Strategic Infrastructure Development Plan to be developed under the Sustainable Tourism Development component. Furthermore, a substantial growth in the number of tourists coming to the area could put increased demand on local resources such as fuelwood or species used for crafts. The mechanisms for addressing the risk of negative environmental impacts of such "secondary" development will be identified in the project's Environmental and Social Management Framework (see below). They are expected to include zoning, regulations and legally established standards for infrastructure, supported by the framework laid out in the Strategic Environmental Assessment.

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

Because the nature and location of specific on-the-ground investments will only be identified during the course of project preparation (through the ISPP and related processes), the Environmental Assessment for this project will take the form of an Environmental and Social Management Framework (ESMF), which:

- (i) describes the kinds of activities and investments likely to be undertaken under the project for which EA and Environmental Mitigation are likely to be needed;
- (ii) describes the process that will be undertaken during project implementation to do EA screening, preparation, consultation and approval, and to ensure the implementation of any resulting mitigation measures;
- (iii) assesses existing national policies and procedures to determine whether they are consistent with World Bank requirements; and
- (iv) assesses the capacity of relevant institutions to undertake the environment screening, assessment and environmental mitigation that may be identified through the site-specific EA process.

A Resettlement Policy Framework and a Resettlement Process Framework will be included as Annexes to the ESMF, and will also be publicly disclosed as separate documents.

In addition to the ESMF, Strategic Environment Assessments (StrEA) to be undertaken as a first step to the ISPP process will provide a guiding context for the EAs that will be carried out for specific proposed developments within the BTCs. The EA will indicate what types of environmental impacts and changes might result from a given proposed development, and the StrEAs will provide the essential framework for deciding whether these likely impacts are acceptable, what trade-offs they imply, and what mitigations would be required.

(See Integrated Safeguards Data Sheet for further details)

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

EA start-up date: March 1, 2003

Date of first EA draft: March 31, 2003

Expected date of final draft: April 15, 2003

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

No EMP will be required for the project as a whole. EMPs may be required at the level of site-specific EAs to be undertaken during project implementation. The institutional arrangements relating to this will be described in the ESMF. An EA report (in the form of an ESMF) will be prepared and publically disclosed.

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

Stakeholder review and discussion of the ESMF will be undertaken within the context and structure of the Participation Strategy, which is an integral part of project preparation. (See section 6.2). The Strategic Environmental Assessment will be undertaken in the context of the ISPP, which will by definition be a highly participatory process. The ESMF will indicate how stakeholder consultation will be done in relation to investment-specific EAs to be carried out during project implementation.

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

Environmental impacts -- specifically on biodiversity patterns and processes and on the status of land, forest and wildlife resources natural resources used by communities, will be included both under Component B (Participatory Biodiversity Conservation and Management) and within the project M&E plan. There are several relevant project indicators in the logframe.

## 6. Social

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

The project aims to increase incomes, broaden economic options and enhance sustainability of natural resource-based livelihoods for rural communities within the target area (representing about 1/3 of the country). The main vehicle is to be development of community-oriented, nature-based tourism, with local community members and groups participating both through developing their own enterprises and entering into joint ventures with private sector investors. At present the majority of people in the area are mainly subsistence agriculturalists/herders, with little experience in tourism or similar service-oriented, cash-generating activities. This raises the risk that introduction of new business and employment opportunities and cash income will be socially disruptive. However, this is somewhat mitigated by the fact that most families already have one or more members employed in the formal sector. Introduction or expansion of tourism in areas which have traditionally had relatively little contact with other cultures and peoples also raises the risk of negative social impacts such as an increase in prostitution and crime. Measures to address these risks will be identified in the ESMF.

Only a small relatively small number of tourism related enterprises can be supported under the project (or be sustainable in the long term). Therefore, some community members will participate and benefit directly (as entrepreneurs or employees) while others will not. This could create competition and social tension. However, this risk is reduced by the fact that Traditional Authorities (chiefs) -- who play a very large and accepted role in resource management and maintaining social order in Swaziland -- will be fully involved in all aspects of project implementation.

Implementation of the BTCs is likely to require changes in land and natural resource use practices in some areas, particularly limitations being placed on numbers of cattle, harvesting of trees and other vegetation, etc. in areas where there is currently overgrazing or over-exploitation. In some cases areas may be taken out of these types of uses entirely to be restored or maintained as natural habitat. Such changes can have negative impacts on people whose livelihoods rely on these resources. The means for identifying, avoiding and mitigating such impacts will be described in the Resettlement Policy Framework and Resettlement Process Framework (see ISDS).

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

The project is entirely built upon stakeholder participation, as is outlined in the description of the ISPP process. A Participation Strategy was developed and is being carried out as key part of project preparation. The Participation Strategy focuses on three objectives:

- (i) at a national level: raising general awareness and disbursing general information about the project's objectives and approaches
- (ii) among targeted stakeholder groups, raising more targeted awareness, disbursing more specific information about the project's objectives, approaches, elements, timetable, etc., confirming their interest in participating in the project, and registering and trying to respond to any concerns that may be raised;
- (iii) obtaining input from (a representative sample of) different stakeholder groups regarding key elements of the project design and approach -- in particular, on appropriate mechanisms for ensuring that they participate effectively in the ISPP process

The Participation Strategy includes a number of different approaches, including distribution of brochures, radio messages, open consultation meetings, focus group meetings, etc.

A number of governmental and non-governmental stakeholders have also been participating directly in project design and preparation through membership on the Project Steering Committee, Project Management Group, and Technical Committee

(see Annex on Participation Strategy for details on stakeholders identified, participation activities and membership of project Committees).

The Institutional Study will also address how effective stakeholder participation will be carried forward in project implementation.

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

Several NGOs are participating in project design and preparation through the Technical Committee, and many others are aware of the project through formal and informal communications. NGOs are also one of the key stakeholder groups targeted by the Participation Strategy.

Project implementation will include direct involvement by NGOs in several components, including the ISPP process and on-ground technical assistance and operational support for community-based conservation activities, tourism enterprise development and improved natural resource management. In some cases this is expected to take the form of executing agencies contracting with NGOs to support implementation.

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

The project relies heavily on the strong traditional governance structure in Swaziland, i.e. the Tinkhundla system of Traditional Authorities (chiefs) which operates in parallel with the modern government and has major responsibilities for managing social development issues. Specific mechanisms to ensure that the project delivers social and economic benefits in equitable and socially positive ways will be outlined in the Environmental and Social Management Framework.

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

The Project M&E plan, including the independent Midterm Review, will evaluate social development outcomes, particularly in relation to improved and more sustainable rural livelihoods. Several specific indicators in the project logframe address these aspects

## 7. Safeguard Policies

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

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

## 7.2 Project Compliance

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

The ESMF will identify which potential project interventions and investments would trigger the safeguard policies, and will outline the procedures to ensure compliance. It will also review existing policies and regulations (Swaziland has strong EA legislation) to evaluate consistency with WB requirements

(b) If application is still to be determined, describe current or planned efforts to make a determination. OP 4.09 may be triggered if pilot activities for control of alien invasive weeds includes the use of herbicides. This would be identified in the strategy for alien plant control to be developed under the project.

The ISPP process and identification of tourism areas will determine whether there is any threat to culturally significant sites or assets within the Corridor areas.

## 8. Business Policies

8.1 Check applicable items:

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

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

## F. Sustainability and Risks

### 1. Sustainability:

The project aims to ensure sustainability of the biodiversity conservation interventions by linking them to economic benefits, and by ensuring that areas large enough to sustain key ecological processes are brought under some form of conservation management.

The sustainability of tourism development aspects is enhanced by placing the site-specific developments within the broader context of an already well established and growing regional tourism market, thereby ensuring a reliable flow and critical mass of tourists, and by assisting Swaziland to establish a unique niche within this larger context , in order to promote synergy and avoid undue competition with its neighbors.

### 1a. Replicability:

Many aspects of the project are highly replicable in other countries/settings, including: the ISPP process and Integrated Ecosystem Management approach (based on Strategic Environment Assessment and supported by good technical data); the private-sector driven tourism development and joint ventures with local communities; the landscape scale land use planning approach to promote synergy among different categories of land uses to achieve common objectives; enhancing cross-sectoral coordination and multi-stakeholder cooperation through development and strengthening of key institutions and creating

positive incentives

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

The main risk to the project's objectives is that incompatible land and resources uses will continue to encroach upon critical areas of the BTCs, interrupting their continuity and thus reducing or undermining their value both from a biodiversity conservation and tourism standpoint. Some areas within the proposed Northern Corridor's "support zone" area have already been converted to sugarcane monoculture. Approximately 340 km<sup>2</sup> more is considered suitable for sugarcane production (based on agro-ecological criteria). Ninety percent of this lies within the core "backbone" of the Corridor, almost 200 km<sup>2</sup> of it within the Hlane National Park. Hlane NP was gazetted for conservation purposes in 1969, however, so loss of any of this area would represent a significant reversal of GOS priorities. In the proposed Eastern Corridor, there is currently almost no sugarcane production, but approximately 500 has are regarded as suitable for sugarcane, 60% of it within the core "backbone" of the Corridor. The main constraint to agricultural development in this area has been water, so any development aimed at bringing substantial water resources up onto the Lubombo plateau could constitute a significant threat to conservation uses unless policies and plans were in place (through the ISPP process) to ensure that the objectives of the Corridor are maintained. A different kind of threat is posed by potential incompatible, capital-intensive development projects, potentially including some of the "Millennium Projects," if measures are not taken to ensure that any such development compliments, rather than conflicting with, the BTCs.

The second substantial risk is that the various governmental agencies and non-governmental stakeholders will be unwilling or unable to look beyond their sectoral and individual interests to coordinate and cooperate effectively in preparing and implementing the Integrated Corridor Management Plans.

The main mitigation for both these risks is to ensure strong political support for the BTC concept, starting with the Ministries of Economic Planning and Development, and Tourism, Environment and Communications. The BTCs have already been identified in principle as high priority from both biodiversity conservation and tourism development perspectives, but this must be supported by practical support. Cost: benefit analyses of different development options is expected to demonstrate the substantial long-term benefits of the BTC approach (particularly when placed within the regional context) to both senior government and on-the-ground stakeholders.

| Risk  | Risk Rating | Risk Mitigation Measure   |
|---|-------------|---|
| <b>From Outputs to Objective</b>  |             |   |
| GOS sectoral agencies and other stakeholders prove unwilling or unable to overcome sectoral and parochial interests in favor of cross-sectoral coordination | M           | Ensure strong support and commitment by GOS, particularly Ministries of Economic Planning and Development, and Tourism, Environment and Communications  |
| Tourism development fails to provide sufficient revenues to sustain conservation investments and/or motivation to practice sustainable NRM                  | M           | Ensure that expectations raised remain modest; support costs of conservation investments for several years on a declining basis; awareness raising and education on importance of sustainable NRM                   |
| GOS fails to maintain commitment to the development model of the BTCs and proceeds with or permits incompatible development                                 | M           | Ensure strong political support at high government levels; obtain early information on potentially threatening incompatible development; thorough analysis of economic tradeoffs of alternative development options |

|  |   |  |
|--|---|--|
| Project outputs (e.g. ICMPs and Strategic Tourism Infrastructure Development Plan) fail to trigger sufficient GOS and donor financing to fully implement the BTC concept | M | Ensure GOS identifies BTC as a high priority within its own sectoral development plans; support GOS efforts to identify potential cofinancers; Consider IBRD financing if needed |
| Government agencies and NGOs are unable to assist communities to identify feasible approaches to improve NRM   | N | Involve experienced NGOs working in NRM in the area in project preparation and implementation  |
| <b>From Components to Outputs</b>  |   |  |
| Failure to identify motivated staff and qualified, experienced TA to guide the ISPP process and related activities   | M | Develop detailed and thorough TORs for long term TAs, emphasizing relevant practical experience; advertise widely  |
| Failure to achieve consensus among stakeholders on key conservation policy issues  | N | Ensure a fully participatory process; make use of professional facilitators  |
| Incentives and benefits are insufficient to motivate communities to establish or maintain community conservation area  | M | Targeted awareness raising and education; seek to mobilize carbon finance and other funds to provide short term incentives while awaiting longer term benefits                   |
| Project interventions fail to attract sufficient private sector interest to support minimum necessary tourism development  | N | Substantial investment in product development and marketing, stressing the regional context; collaborate with South African and Mozambican counterparts                          |
| <b>Overall Risk Rating</b>   |   |  |

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

M

## G. Project Preparation and Processing

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

Yes - date submitted: 10/01/2002  No - date expected:

Project preparation is being supported by a GEF PDF-B Grant. The Grant proposal outlined the overall objectives and approach of the project and key preparation activities. A formal project preparation plan has been developed by the Project Coordinator in close consultation with the TTL, and approved by the Project Steering Committee.

### 2. Advice/consultation outside country department:

Within the Bank: Project concept presented and discussed in July 2002 at a workshop on applying the Integrated Ecosystem Management approach in the field, attended by WB TTLs and Government counterparts from 7 countries from Africa and Latin America.

Other development agencies: July, 2002 workshop was held at the annual meeting of the Society for Conservation Biology, and included participants from several international NGOs, Universities, etc.

External Review STAP Reviewer: Dr. John Rappole, Smithsonian Conservation Research Center

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

Agi Kiss: Environment Lead Specialist/TTL  
Rod de Vletter: Consultant, Environment and Tourism Specialist  
Isabelle Parris: Social Development Specialist  
Johnathon Nyamakupa: Financial Management Specialist  
Dahir Warsame: Procurement Specialist

**4. Quality Assurance Arrangements (see Annex 2):**

John Boyle, Kristine Ivarsdotter: Safeguards Policy Reviewers (EA and Resettlement)  
Dahir Warsame: Procurement  
Jonathan Nyamakupa: Financial Management  
Peer reviewers: Peter Dewees - Forestry/NRM specialist  
Jean-Michel Pavy - Biodiversity specialist  
Iain Christie - Tourism specialist

**5. Management Decisions:**

| Issue | Action/Decision | Responsibility |
|-------|-----------------|----------------|
|       |                 |                |

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

**Cost to Date: (US\$000)**

**GO**       **NO GO**

**Further Review [Expected Date]**

---

Agi Kiss  
**Team Leader**

---

James P. Bond  
**Sector Director**

---

Fayez S. Omar  
**Country Manager**

## Annex 1: Project Design Summary

### SWAZILAND: Swaziland Biodiversity Conservation and Participatory Development

| Hierarchy of Objectives   | Key Performance Indicators  | Data Collection Strategy   | Critical Assumptions  |
|---|---|--|---|
| <p><b>Sector-related CAS Goal:</b><br/>Diversify Swaziland's export base, increase private sector investment</p> <p>Improve land and water resources management and diversification of rural income opportunities. More rational use of land in the rural sector.</p> | <p><b>Sector Indicators:</b><br/>Increased tourism rates and revenues; increased total private sector investment in tourism sector</p> <p>Increased tourism revenues going directly to rural communities; reversal of trends of environmental degradation and unsustainable exploitation of biological resources (overgrazing, deforestation, hunting)</p>  | <p><b>Sector/ country reports:</b><br/>Initial economic study of tourism sector; monitoring tourism and economic statistics</p> <p>Reports from project M&amp;E focusing on NRM aspects</p>  | <p><b>(from Goal to Bank Mission)</b><br/>Tourism in southern Africa continues to grow and Swaziland positions and markets itself within that regional context. Government maintains commitment to promote environmentally sustainable tourism with emphasis on ensuring participation and benefits for rural communities. GOS policies support community-based NRM. Benefits from tourism and improved CBNRM are sufficient to motivate and enable rural communities to discontinue unsustainable NRM practices.</p> |
| <p><b>GEF Operational Program:</b><br/>OP 1 (Biodiversity)</p> <p>OP 4 (Mountain Ecosystems)</p>  | <p><b>Outcome / Impact Indicators:</b><br/>Globally significant biodiversity maintained through protection of priority sites within the target areas.</p> <p>Trends of ecological degradation at key sites within the target ecosystem halted or reversed (deforestation, rangeland degradation, soil erosion, expansion of monocropping, alien plant invasion and inappropriate settlement patterns);</p> <p>Trends of biodiversity loss in the unique Lubombo and Barbeton mountain ecosystems halted and reversed (specifically, land conversion, overgrazing, alien plant invasion, deforestation and poaching)</p> | <p>Project M&amp;E reports; Biodiversity surveys and studies</p> <p>Project M&amp;E reports, biodiversity surveys, reporting from Strategic Environmental Assessment; government sectoral reports (MoAC; MNR)</p> <p>Same as above</p> | <p>Economic incentives are sufficient to lead landowners (State, Private, Communal) to make commitment to conservation land use</p> <p>Effective cross-sectoral cooperation by GOS agencies and other stakeholders</p> <p>Effective transborder cooperation (both Lubombo and Barbeton represent transfrontier ecosystems)</p>  |

| <b>Global Objective:</b>  | <b>Outcome / Impact Indicators:</b>   | <b>Project reports:</b>  | <b>(from Objective to Goal)</b>  |
|---|---|--|--|
| <p>To maintain the biodiversity and ecological integrity of a unique group of ecosystems representing an unbroken altitudinal gradient including areas of globally significant biodiversity</p>   | <p>The proposed Northern and Eastern Corridors are established for long term biodiversity conservation, with all the critical areas either formally protected and/or managed and used in ways that protect indigenous species and maintain ecological connectivity across the entire area. Integrated land/resource management plans for each Corridor, emphasizing biodiversity conservation and environmental sustainability, are prepared and implementation launched.</p>   | <p>Official designation of the N and E Corridors; Project Progress Reports indicating status of the key conservation areas</p> | <p>Same as above</p>   |
| <p><b>PROJECT DEVELOPMENT OBJECTIVE:</b><br/>To promote environmentally, economically and socially sustainable development in the rural areas of Swaziland, based on conservation and sustainable use of its biodiversity resources, and local participation in tourism development</p> | <p>Annual tourist numbers and tourism-derived revenues increase by ___% within the project area and ___% nationwide by the end of the project</p> <p>Private sector tourism-related financial investment increases by at least ___% within the project areas by the end of the project. All investment is consistent with the Corridor management plans and demonstrably supports objectives of the project (biodiversity conservation; empowering and involving local communities; contributing to rural incomes).</p> <p>Identification and implementation of actions to improve natural resource management (e.g. reduce grazing pressure; re-afforestation) on Swazi Nation Land, in at least 10 sites within the project area.</p> | <p>Socio-economic surveys (in project M&amp;E strategy); tourism statistics; sectoral reports from MOAC and MNR</p>            | <p>Communities empowered to participate in and benefit from improved natural resource management</p> |

|   |   |  |  |
|---|---|--|--|
|   | Development and implementation of plans to improve natural resource management (e.g. reduce grazing pressure; re-afforestation) on Swazi Nation Land, in at least 10 sites within the project area.   |  |  |
| <p><b>Output from each Component:</b></p> <p><b>1. Integrated Spatial and Participatory Planning:</b><br/>Strategic Environmental Assessments and ISPP process carried out</p> <p><b>2. Participatory Biodiversity Conservation and Management:</b><br/>Preparation of Conservation Policy and revision of associated legislation</p> <p>Incentives for private sector investment in conservation identified and incorporated into policy</p> <p>Community conservation program under implementation through SNTC and NGO partners</p> <p>Restoration of biodiversity in priority degraded areas (as defined in the ISPP)</p> <p><b>C. Sustainable Tourism and Private Sector Development:</b><br/>Tourism policy updated and other sector policies</p> | <p><b>Output Indicators:</b></p> <p>An Integrated Corridor Management Plan, based on Strategic Environment Assessment and an Integrated Ecosystem Management Approach, is in place and under implementation for each target area (BTC)</p> <p>Sectoral development plans reflect cross-sectoral linkages that emerge from the ISPP</p> <p>Conservation Policy is approved by Parliament; legislation revised accordingly; specific incentives incorporated in policy for conservation on private and communal lands</p> <p>5 new Community Conservation Areas and 3 new formal Protected Areas established with management plans in place and under implementation</p> <p>Contracts between SNTC and local conservation NGOs for support to community conservation</p> <p>Restoration of biodiversity ongoing at several priority sites outside protected areas</p> <p>Tourism policy provides definition of, and standards, for Tourism Zones (reflected also in sectoral policies as appropriate)</p> | <p><b>Project reports:</b></p> <p>ISPP document for each BTC; Sectoral Development Plans</p> <p>Conservation Policy Document; SNTC annual reports; Biodiversity surveys (in project M&amp;E strategy)</p> <p>Tourism investment, visitation and revenue statistics; Project implementation progress reports; Strategic Tourism Infrastructure Plan</p> | <p><b>(from Outputs to Objective)</b></p> <p>Willingness of GOS sectoral agencies and other stakeholders to participate in ISPP and coordinate actions based on the framework it provides</p> <p>Willingness of various stakeholders/participants in conservation and wildlife management to coordinate and collaborate;</p> <p>Tourism development provides sufficient revenues to encourage and support community and private investment in conservation, and to create lasting motivation for sustainable NRM;</p> <p>GOS maintains commitment to regional cooperation for conservation and management of transborder biodiversity assets and ecosystems</p> <p>Project outputs (e.g. ICMF; Strategic Tourism Infrastructure Plan) generates sufficient additional GOS and donor financing to provide key</p> |

|   |  |   |   |
|---|--|---|---|
| <p>harmonized, in support of the BTC concept</p> <p>Tourism Zones delineated and development objectives and management principles agreed upon</p> <p>Community tourism promotion program developed and under implementation</p> <p>Criteria established for product enhancement grants to private sector</p> <p>Strategic tourism infrastructure development planning is undertaken</p> <p><b>D. Sustainable Natural Resource Use and Community Empowerment:</b></p> <p>Improved Natural Resources Management and reversal of environmental degradation in key in linkage and support areas</p> <p><b>E. Project Management and Administration:</b></p> <p>Project well coordinated and administered</p> <p>Effective Monitoring and Evaluation supporting adaptive management approach</p> | <p>Management plans developed for at least 5 Tourism Zones</p> <p>At least 5 grants for community tourism enterprises awarded</p> <p>At least 5 grants to private sector for product enhancement awarded</p> <p>Strategic tourism infrastructure development plan prepared</p> <p>Strategic tourism infrastructure development plan adopted by Ministry of Public Works</p> <p>A CBNRM Strategy, Implementation Plan and Implementation Manual developed for the component</p> <p>At least 5 CBNRM projects underway (as identified through the ISPP process)</p> <p>Project implementation proceeds smoothly, meeting agreed work plans and timetables, consistent with GOS and WB processes and procedural requirements</p> <p>Monitoring and Evaluation Plan prepared</p> <p>Independent midterm evaluation</p> | <p>Project Annual Work Plans</p> <p>Project Progress Reports; Report of Independent Midterm Evaluation</p>  | <p>infrastructure and other support to fully implement the BTC</p> <p>GOS maintains commitment to the tourism model underlying the BTC (including emphasis on nature-oriented, environmentally sustainable tourism and developing Swazi tourism within the context of regional tourism circuits and linkages) -- does not proceed with incompatible developments</p> <p>GOS sectoral policies support and empower community participation in natural resource management; Effective coordination among Deputy Prime Minister's Office and other involved agencies;</p> <p>Government agencies and local NGOs able to assist communities to identify and implement improved natural resource management initiatives</p> <p>Qualified staff recruited for PIU; qualified and motivated staff appointed within GOS implementing agencies</p> |
| <p><b>Project Components / Sub-components:</b></p> <p><b>A. Integrated Spatial and Participatory Planning</b></p>   | <p><b>Inputs: (budget for each component)</b></p> <p><b>[Component A Total \$ 1,190,000]</b></p>   | <p><b>Project reports:</b></p> <p>Quarterly and Annual Reports; Audit Reports; Disbursement and Procurement Reports from Supervision Missions</p> | <p><b>(from Components to Outputs)</b></p> <p>Effective implementation and collaboration on the part of Implementing Agencies; Effective oversight and</p>  |

|  |   |               |  |
|--|---|---------------|--|
|  |   |               | coordination by Project Steering Committee;<br>Good quality of technical advise and support by local and international TAs   |
| (1) Institutional Development and Capacity Building for ISPP             | \$ 1,050,000                            |               |  |
| (2) Implementation of ISPP process                                       | \$ 185,000                              |               |  |
| (3) Targeted Research to support Integrated Ecosystem Mangement Approach | \$ 162,000                              |               |  |
| <b>B. Participatory Biodiversity Conservation and Management</b>         | <b>[Component B Total \$3,955,000]</b>  | Same as above | Achievement of consensus on appropriate roles of different stakeholders and willingness to work cooperatively  |
| (1) Conservation Policy Development and Legislation Review               | \$183,000                               |               |  |
| (2) Strengthening Conservation Organizations                             | \$ 1,422,000                            |               |  |
| (3) On-ground conservation investments                                   | \$ 2,000,000                            |               | Local NGOs able and willing to enter into partnership with SNTC;<br>Communities in target area are motivated to establish conservation areas;<br>Sound PA management plans developed and implemented |
| (4) Alien Plant Eradication Plan and Pilots                              | \$350,000                               |               |  |
| <b>C. Sustainable Tourism \$ Private Sector Development</b>              | <b>[Component C Total \$ 1,735,000]</b> | Same as above | GOS and donors support tourism development objectives in the target area with appropriate policies and infrastructure development  |
| (1) Strengthen Tourism Policy and Regulatory Framework                   | 0.0                                     |               |  |
| (2) Delineation and establishment of Tourism Zones within BTCs           | \$175,000                               |               |  |
| (3) Stimulating responsible tourism investment                           | \$ 300,000                              |               | Sufficient private sector interest   |
| (4) Development of Strategic Infrastructure Plan                         | \$60,000                                |               |  |
| <b>D. Sustainable CBNRM and Community Empowerment</b>                    | <b>[Component D Total \$ 2,065,000]</b> | Same as above | Feasible interventions for improving NRM are identified  |
| (1) Community-based Improved NRM initiatives                             | \$ 2,065,000                            |               |  |
| <b>E. Project Management and</b>   | <b>Component E Total</b>                | Same as above | Same as above  |

|                |                     |  |  |
|----------------|---------------------|--|--|
| <b>M&amp;E</b> | <b>\$ 1,329,000</b> |  |  |
|----------------|---------------------|--|--|

## **Annex 2: Incremental Cost Analysis**

### **SWAZILAND: Swaziland Biodiversity Conservation and Participatory Development**

#### **Context and Broad Development Goals**

##### Context.

1. The Kingdom of Swaziland is a landlocked country of about 17364 km<sup>2</sup>, bounded by South Africa on the north, west and south, and by Mozambique on the east. It lies at a unique crossroads between the tropical flora to the north and more temperate flora to the south, including the extremes of many species ranges. Specifically, the country is located between the Transvaal plateau (reaching over 1500 meters) and the coastal plains of Kwazulu-Natal Province, northeast Mpumalanga Province, and Mozambique. The western part of the country thus lies in the high elevation escarpment area and the eastern part in the coastal plain zone. Within this span lie ecosystems including open grasslands, forests, semi-arid savannas and wetlands. Swaziland is recognized as having the greatest species diversity of all the southern African countries, and contains 14% of the taxa recorded for the entire region. While the country is greatly under-surveyed compared to its neighbors, recent studies indicate at least 24 endemic species, approximately 3400 plant species, 116 mammal spp., 489 bird spp. (more species and within a smaller area than in Kruger National Park, a world renowned birding locality), 154 species of amphibians and reptiles, 51 species of fish, and over 5000 invertebrate species including 303 butterflies. Only 4% of the country is currently protected for nature conservation. Of the remainder, 7% is under commercial cropland, 8% is commercial forest plantation, 19% is government-owned cattle ranches, and the rest (except for some small urban areas) is communal Swazi Nation Land (SNL) administered by Chiefs and occupied and used by smallholders for subsistence crops and livestock.

2. Aside from its variety of habitats and overall species richness, the great biodiversity value of Swaziland lies in the fact that, from west to east, Swaziland represents one of the largest remaining, mainly contiguous gradients of diverse veldt communities (from montane to coastal plain) in the region. Furthermore, in Swaziland this continuum is unusually compressed into a linear distance of about 200 km. Intact altitudinal gradients such as this represent a high biodiversity value because they provide the opportunity for ecological process such as migrations and seasonal dispersals, genetic flows, and adaptation to long-term phenomena such as climate change

3. The majority of the Komati, Mlumati and Mbuluzi river basins fall within the two proposed Corridors. These watersheds are critical to downstream water supply in South Africa and Mozambique, including the agricultural and industrial Maputo Corridor Spatial Development Initiative. They also represent the catchment for important hydro-electric and irrigation dams (e.g. the \$100 million Maguga Dam) and provide the water which maintains the economically vital sugar industry in Swaziland (as well as a significant part of the substantial sugar production in Mpumalanga Province in South Africa. At present there are no management

programs or strategies in place for these critical catchments

4. The Government of Swaziland has recognized the importance of its biodiversity to both the local and national economy, and became party to the restructured GEF in May 1994. Donor assistance is being sought to sustainably manage its unique ecosystems and related biodiversity, and to promote appropriate and responsible natural resource management schemes, most particularly relating to sustainable tourism.

5. The proposed project seeks to preserve two broad corridors of relatively intact natural habitat which, taken together, represent approximately 1/3 of the total land area of the country. These areas are of a sufficient scale to encompass key biological and ecological functions, including providing connectivity across the whole altitudinal gradient. The "Northern Corridor" runs west-east, from the Drakensberg escarpment (an area which includes the Songimvelo Reserve of South Africa and the Malalotja Reserve in Swaziland), across the Komati escarpment, to the Mozambique border. The "Eastern Corridor" runs north-south along the Lubombo mountains and escarpment, linking the important ecosystems of the Maputaland Center of Plant Diversity with South Africa's Kruger National Park. The two Corridors are anchored by important transfrontier conservation areas: the recently declared Lubombo Transfrontier Conservation Area falls within the Eastern Corridor, and a Songimvelo-Malalotja TFCA is under development in the Northern Corridor.

#### General Development Goals.

6. At the last comprehensive assessment of foreign assistance needs (a World Bank CAS prepared in 1994) it was noted that, while nearly 3/4 of the population was engaged in agriculture, agriculture contributed only 12% of GDP. Furthermore, over half of export earnings still came from primary commodities (e.g., sugar, wood pulp, citrus), creating vulnerability to changes in world prices. Therefore, it indicated that Swaziland needs to broaden its export base. The real per capita GDP growth rate in Swaziland has remained flat in recent years, and a Swaziland Government Draft Report on Poverty Reduction (2001) indicated that the poverty problem in the country is compounded by the lack of livelihood opportunities for the rapidly growing labor force. To have a positive impact on rural poverty and livelihoods, the economic diversification must involve industries and approaches that create greater opportunities for the direct participation by rural peoples, in contrast to the situation with export-oriented agriculture to date which has yielded few such benefits. While there may be some scope for diversifying agricultural production with greater smallholder participation, nature-based tourism offers an important complimentary option with strong prospects for fueling economic development in rural areas. Regionally, tourism has come very much to the fore in southern Africa, with numerous studies demonstrating the large economic potential and some important initiatives underway to establish regional linkages in an effort to create a diverse, world-class tourism destination. The Government of Swaziland has appreciated this potential and highlighted tourism development in its current National Development Strategy. Both the NDS and the draft Tourism Policy stress the need to put tourism development in Swaziland into a regional context.

7. The project's Development Objective is to promote environmentally, economically and

socially sustainable economic development in the rural areas of Swaziland, based on conservation and wise use of its rich biodiversity resources and on local participation in resource management. The specific economic driver is expected to be private sector-driven, nature-oriented tourism, with a major emphasis on increasing the country's participation in strong and growing regional tourism markets. The instrument to be developed and used for this large scale land and resource use planning is an Integrated Spatial and participatory Planning (ISPP) process. The output of the ISPP process will be an Integrated Corridor Management Plan (ICMP) plan for each of two "Biodiversity and Tourism Corridors" (BTC) described above. The spatial continuity and large scale of these Corridors are essential from a tourism perspective as well as an ecological perspective. They provide both the linkage with South Africa and Mozambique, and the critical mass of investment opportunities, which will be needed to attract the tourist flows and levels of tourism investment required to ensure economic viability and sustainability.

#### The Role of Environment and Tourism in Swaziland's Development.

8. Swaziland has completed a National Environmental Action Plan, and an Environmental Policy. Environmental regulations, including Environmental Impact Assessment Regulations are in place, with the Swaziland Environment Authority (SwEA) responsible for overseeing and coordinating implementation. These regulations explicitly incorporate Strategic Environmental Assessment (StrEA), and an initial StrEA was carried out in relation to the most recent National Development Strategy. The SwEA is in the process of being transformed into a Parastatal to increase its autonomy, particularly in relation to its EIA role. There is also a national Biodiversity Strategy and Action Plan (BSAP), an element and outgrowth of the NEAP, which includes the proposed BTC as a priority. A multi-sectoral Biodiversity Program Implementation Committee tasked with promoting the implementation of the BSAP has approved the BCPD project as the main vehicle for implementing the BSAP, on the grounds that it fulfills most of the objectives and proposed actions of the BSAP. This includes, for example a recommendation for Swaziland to integrate fully into regional initiatives together with South Africa and Mozambique, such as the Lubombo and Songimvelo-Malolotja TFCAs and the Lubombo Spatial Development Initiative. These Government initiatives are complemented by an active and committed NGO sector.

12. The national Tourism Policy Tourism Strategy fully incorporate the concept of the BTCs and identify them as priorities for development. They note that across Africa the average contribution of tourism to GDP is 7.8% (and growing), whereas in Swaziland it is only 2.6%. Swaziland is recognized as being primarily a transit destination at present, with less than 30% of the foreign tourists entering the country staying overnight. While not able to compete with its neighbors on the basis of wildlife populations, Swaziland can capture an important niche in a regional circuit, particularly in view of the fact that recent studies indicate that foreign tourists in southern Africa identified heritage, culture and scenic beauty as providing a substantial part (46%) of their overall motivation for visiting the region. The draft Tourism Policy also strongly supports community involvement and stresses environmental sustainability. These principles are already being put into practice. For example: (i) the Lubombo Spatial Development Initiative has identified nature-based tourism infrastructure development as a priority; (ii) an EU-financed

private sector support program includes a component for development of community-based tourism; and (iii) a pilot community-based tourism project (Shewula) has been established and is beginning to show success in attracting clientele and enhancing environmental quality.

## **Baseline Scenario**

13. *General Scope.* In the absence of GEF assistance, it is expected that the GOZ would nonetheless pursue some program of biodiversity management 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.

9. *Costs.* Over a seven year project period, the total expenditures associated with the Baseline Scenario are estimated to be US\$6.4 million. These are summarized in Table A4.1 and can be described as follows:

Integrated Spatial Participatory Planning Process (\$1.32 million) The ISPP represents a land-use planning exercise on a large, landscape scale that takes into account both physical resources and ecological and economic processes. The output of the process will be an Integrated Corridor Management Plan which will provide the framework for land use, development and investment within each proposed B-T Corridor, not only under this project but for the future. The objectives of the ICMPs will stress the conservation and sustainable use of natural resources, particularly the biodiversity, ecological systems and processes, and aesthetic landscapes of the area. In the absence of GEF funds it is anticipated that the process would proceed but without the Strategic Environmental Assessment process that is essential for integrating biodiversity conservation objectives.

Participatory Biodiversity Conservation and Management. (US\$630,000) This activity in the baseline involves a review of existing legislation with a view to ensuring its consistency with international protocols to which Swaziland is a signatory, and some aspects of strengthening the SNTC, particularly with respect to developing an improved business model.

· Sustainable Tourism and Private Sector Development. (US\$1.74 million) This substantial baseline activity includes all sustainable tourism and private sector development that would occur in any event to take advantage of expanding regional tourism markets. The European Union is currently providing some support for the tourism sector under its Private Sector Support Program, which includes both policy level support and a grants scheme aimed at encouraging the development of small, community-based tourism enterprises. The current EU project is expected to close in two years, but may continue in the context of the BCPD. The activities under this component include: (i) strengthening tourism sector policy and the associated regulatory framework to support the B-T Corridor concept; (ii) delineation and development of management plans for tourism zones within the B-T Corridors; (iii) stimulating responsible (commercial and community) tourism investment; and, (iv) development of a Strategic Tourism Infrastructure Plan.

· Sustainable CBNRM and Community Empowerment. (US\$1.57 million) The project will support improved natural resource management use practices in linkage and support zones of the B-T Corridors. Some of this component is expected to be funded by GOS and bilateral donors interested in supporting sustainable rural livelihoods, and will proceed in any event as part of the

baseline. The major activities that will proceed include: (i) policy support for strengthening CBNRM; (ii) technical assistance and equipment for identifying priority areas; and, (iii) provision of grants in selected priority sites for restoration activities.

· Program Management, Monitoring and Evaluation. (US\$ 560,000) This activity represents the overhead and management costs associated with implementing the baseline activities. It includes primarily procurement and financial staff and associated equipment and operational overheads.

Unallocated Contingency (\$580,000)

10. *Benefits*. The benefits under the Baseline Scenario focus on institutional strengthening that meets immediate development objectives of protecting critical human and domestic environmental resources. In addition, it addresses institutional support to the private sector to secure tourism returns from sustainable tourism prospects. The level of these benefits is not estimated as it is the same in the Baseline and GEF Alternative cases.

### **Global Environmental Objective**

11. The global environmental objective of the GEF Alternative is to maintain the biodiversity and ecological integrity of a unique group of ecosystems representing an unbroken altitudinal gradient including areas of globally significant biodiversity. The global environmental and development objectives are sought via the following operational outputs consistent with GEF operational programs: (i) OP 1 (Biodiversity) Globally significant biodiversity will be maintained through protection of priority sites within the target areas; and (ii) OP 4 (Mountain Ecosystems) Trends of biodiversity loss in the unique Lebombo and Barbeton mountain ecosystems will be halted and reversed (specifically, land conversion, overgrazing, alien plant invasion, deforestation and poaching).

### **GEF Alternative**

12. *Scope*. With GEF assistance for addressing the global biodiversity objectives outlined above, the Government of Swaziland would be able to undertake a more effective program that would generate both national and global benefits. The major thrust of the incremental activities would be to address a number of targeted initiatives that improve biodiversity management and that provide opportunities for community development activities. In addition, the incorporating Strategic Environmental Assessment into the Integrated Spatial and Participatory Planning component is a major addition intended to ensure that biodiversity conservation objectives are met.

13. *Costs*. The total expenditures associated with the GEF Alternative are estimated to be about US\$11.9 million; these are summarized in Table A4.1. Under the GEF Alternative, the program would still comprise the following Baseline components with no changes or additions: (i) Sustainable Tourism and Private Sector Development (US\$1.74 million), and the Unallocated Contingency. In addition, the program would involve expanded or new activities as follows:

· Integrated Spatial and Participatory Planning (US\$ 2.22 million) With GEF support, this

**increased component** will include a full Strategic Environmental Assessment (SEA), undertaken as a key element to ensure that environmental sustainability, including biodiversity conservation objectives, are fully integrated into the process. The SEA will include social and economic analysis aimed at highlighting the economic value of the land and natural resource base and elucidating the short- and long-term trade-offs associated with various development options. The existence of, and Government and stakeholder commitment to, these ICMPs is expected to provide an attractive environment for stimulating responsible private sector investment and leveraging other Government and donor support.

· Participatory Biodiversity Conservation and Management. (US\$ 3.96 million) This substantially **expanded activity** will focus on improving sustainable use and incomes in the project area. In the BCPD project, conservation of globally and locally significant biodiversity represents both a core objective in itself, as well as a basis for environmentally and economically sustainable tourism development. The project will support the implementation of the National Biodiversity Conservation Strategy, which calls for expanding the network of Protected Areas to encompass a number of additional 'Protection-Worthy Areas,' and for promoting biodiversity conservation within production landscapes outside PAs. It also calls for increased participation of rural communities in conservation action and benefits. The types of costs to be financed include those associated with: (i) development of a national biodiversity conservation policy and review of legislation; (ii) re-orientation and strengthening of conservation organizations; (iii) on-ground conservation investments; and, (iv) development and initiation of a program for alien plant eradication.

· Sustainable CBNRM and Community Empowerment. (US\$2.07 million) This **expanded activity** will provide modest additional support for more pilot activities in priority areas. Support will be targeted to activities with direct biodiversity benefits, such as restoring natural habitats in linkage zones to facilitate gene flow. Other funding options will also be explored, such as carbon financing for agroforestry or for re-afforestation of degraded areas with indigenous species.

· Program Management, Monitoring and Evaluation. (US\$1.33 million) This **expanded activity** will support the coordination and management structures underpinning program implementation. It will thus finance: (i) a project manager; (ii) additional procurement and financial operational support; and (iii) expanded monitoring activities.

14. *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, despite competing economic pressures on the resource base. GEF assistance will enable Swaziland to protect and to utilize sustainably the country's biodiversity 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 through the ability to fulfill international biodiversity conservation treaty obligations under CITES. Continued protection of many additional ecological functions, and of option and existence values, is an unquantified but a large benefit to the regional and global community.

15. It is estimated that incremental domestic benefits of US\$2.0 million will be realized in the GEF Alternative case. These benefits are associated with readily quantifiable sustainable uses associated with direct interventions supported through the community development initiatives in

the GEF Alternatives. Other indirect benefits may also be realized through improved ecosystem management (e.g., improved watershed management) but any incremental economic benefits from these improvements have not been estimated or included here; they are acknowledged by GOZ to be one of the justifications for some level of Baseline support to the sector as a whole. The \$2.07 million in sustainable use benefits are a best estimate of incremental incomes that might be generated through a successfully targeted community development program. Currently, some 202,000 people live in the area, with mean per capita incomes under \$1000 annually. The project notionally will target the poorest among these, seeking a sustained income improvement of the order of 5% over the project period for 10% of the population in the affected area; such levels of improvement are consistent with pilot projects elsewhere and are also consistent with the Government's development goals of poverty alleviation.

16. *Benefit Offsets.* There is a fairly low population density within the “backbone” of the Corridors (comprised of the conservation, tourism development and linkage areas), because the Corridors were designed to incorporate as much as possible of the relatively untransformed and unsettled “protection-worthy” natural habitat areas of the country, with high biodiversity and nature tourism value. The implication is that there will be little need for physical or economic displacement of people in order to improve or establish conservation areas, and only a limited number of communities will be targeted for efforts to promote direct community-based tourism enterprises. A substantially larger number of people are expected to benefit from natural resource management -related activities in the support zones. Structurally, therefore, for this incremental cost analysis, the GEF Alternative is regarded for the most part as a complementary project as it involves new activities that do limit other development options. The only *potential* substitute activity involves the opportunity costs associated with some of the land that will be taken out of alternative agricultural land-uses. An analysis was undertaken of the extent of the land under question, its likelihood of conversion into plantation agricultural, and the profitability of conversion if these lands were in fact used in that capacity. A maximum expected opportunity cost was derived through this procedure.

17. Of the total corridor area, there is already substantial agricultural activity, of which some 831 km<sup>2</sup> (or 17%) is currently in government ranches. The project will have no impact on these activities, and the project will not limit expansion of smallholder plots for household subsistence or cashcrop farming or grazing. Some potential exists, however, for expanding some of the plantation agriculture activities; and this sort of expansion would likely be hindered by the project if the land-use planning activities under the ISPP proceed and are effective. Specifically, it is estimated that about 840 km<sup>2</sup> of land might fall into this category. Currently, the most likely land-use for this area in the absence of this project would involve sugar production. An analysis of optimal land use is not possible at this stage because of information constraints associated with development options and land-use suitability. Such an analysis is possible within the ISPP activity of this Project, and will be conducted and followed up with a more detailed cost benefit analysis to aid government decision-making.. The activity remains profitable as a result of protectionist policies (which are scheduled for elimination by the mid-point of this project), and some expansion seems likely. Of this area, some of it falls within currently protected areas (200 km<sup>2</sup> falls within Hane Royal National Park) while some of it would require substantial irrigation investments that are not likely forthcoming during the life of this project. For the purposes of this

analysis, we thus assume that 50% of the remaining suitable land might be available for expansion. This implies that the project would in fact exclude about 70 km<sup>2</sup>, most of which would be in the northern corridor (compared to a total project area of 4810 km<sup>2</sup>). Cashflow analyses of sugar production suggests that net short-term rents of the order of \$25,000/km<sup>2</sup>/yr can be achieved. The maximum opportunity cost of this activity has thus been estimated at US\$7 million in total for a four year overlap with this project. Because of the marginal and uncertain nature of this expansion, however, the opportunity cost may be as low as zero.

18. *Net Domestic Benefit Adjustment.* As a consequence of this project, incremental capturable domestic benefits may be as high as US\$2 million, or may be as low as *negative* US\$5 million.

19. *Leveraged Investment.* The conservation of natural habitats and landscapes, together with the enhanced linkage with South Africa and Mozambique, are expected to attract a substantial amount of additional public and private sector investment over the course of the project and beyond, by enhancing the value of the project area and Swaziland as a whole as a tourism destination. This leveraged investment has not been estimated and is not included in the calculations.

### **Incremental Costs**

20. *Incremental Expenditures.* The total expenditure under the Baseline Scenario is estimated to be US\$6.4 million while the total expenditure under the GEF Alternative is estimated to be US\$11.9 million. The incremental expenditures under the GEF Alternative are therefore US\$5.5 million.

20. *Incremental Costs.* The incremental expenditures of US\$5.5 million are partially offset by an incremental domestic benefit of US\$2.0 million. This benefit would not have been realized in the Baseline Scenario, and is primarily associated with local sustainable direct uses from the community development components of this project. The net result is that the minimum **incremental cost of the GEF Alternative is US\$3.5 million.** When considering alternative land uses, it is noted that an additional penalty may be associated with this project, as a consequence of foregone agricultural productivity on some lands within the corridor. Were this value to be realized, the maximum incremental cost of the **GEF Alternative would be US\$10.5 million.**

**Table A4.1 – Swaziland Biodiversity Conservation Project**

**Incremental Cost Determination**

(US \$ million) [2003\$]

| Component   | Category                            | Expenditure (millions)         | Domestic Benefit   | Global Benefit  |
|---|-------------------------------------|--------------------------------|--|---|
| A. Integrated Spatial and Participatory Planning          | Baseline                            | US\$0.00                       | –  | –   |
|   | With GEF Alternative                | US\$2.22                       | Local institutional strengthening and support that supports decentralized management.  | Institutional strengthening of agencies responsible for meeting Swaziland's international commitments to biodiversity protection.   |
|   | <b>Incremental</b>                  | <b>US\$2.22</b>                | <b>US\$* [included in Comp B]</b>  | –   |
| B. Participatory Biodiversity Conservation and Management | Baseline                            | US\$0.63                       | Legislation consistent with international obligations.   | –   |
|   | With GEF Alternative                | US\$3.96                       | Sustainable use and incomes to communities and households in and around the Corridors. Improved capacity to reduce losses from alien species. Potential foregone benefits from plantation agriculture. | Improved protection of key globally and regionally threatened ecosystems, flora and fauna. Higher levels of conservation; enhanced monitoring and information exchange through improved record-keeping, improved animal welfare and protection of endangered species. |
|   | <b>Incremental</b>                  | <b>US\$3.33</b>                | <b>–US\$5.0 to +US\$2.0 (see text*)</b>  | –   |
| C. Sustainable Tourism and Private Sector Development     | Baseline                            | US\$1.74                       | Strengthened capacity to promote sustainable tourism.  | Reduced pressure on internationally important areas.  |
|   | With GEF Alternative                | US\$1.74                       | As above.  | As above.   |
|   | <b>Incremental</b>                  | <b>US\$0.00</b>                | <b>US\$0.00</b>  | –   |
| D. Sustainable CBNRM and Community Empowerment            | Baseline                            | US\$1.57                       | Local institutional strengthening in land-use management.  | –   |
|   | With GEF Alternative                | US\$2.07                       | Reorientation of incomes to sustainable use and incomes to communities and households in and around the Corridors.   | Reduced pressure on internationally important species and ecosystems.   |
|   | <b>Incremental</b>                  | <b>US\$0.50</b>                | <b>US\$* [included in Component B]</b>   | –   |
| E. Program Management, Monitoring and Evaluation          | Baseline                            | US\$0.56                       | Efficient administration of project funds, coordination of implementing institutions, and evaluation of progress in baseline activities.   | –   |
|   | With GEF Alternative                | US\$1.33                       | As above.  | Efficient administration of project funds, coordination of implementing institutions, and evaluation of progress.   |
|   | <b>Incremental</b>                  | <b>US\$0.77</b>                | <b>US\$0.00</b>  | –   |
| Contingency   | Baseline                            | US\$0.58                       |  |   |
|   | With GEF Alternative                | US\$0.58                       |  |   |
|   | <b>Incremental</b>                  | <b>US\$ 0.00</b>               |  |   |
| Totals  | Baseline                            | US\$6.40                       |  |   |
| Totals  | With GEF Alternative                | US\$11.90                      |  |   |
| Totals  | <b>Incremental</b>                  | <b>US\$5.55</b>                | <b>–US\$5.0 to +US\$2.0*</b>   | –   |
|   | <b>Incremental Expenditure</b>      | <b>US\$5.50</b>                | –  |   |
| Summary Calculation for GEF Eligibility                   | <b>Incremental Domestic Benefit</b> | <b>(–US\$5.0 to +US\$2.0)*</b> | –  |   |
|   | <b>Incremental Cost</b>             | <b>+US\$5.5 to +US\$10.5</b>   | –  |   |

\* Domestic benefits are ascribed only to those activities generating capturable income by affected domestic populations. It does not include the value of services that might be associated with improved watershed management that might benefit domestic plantation agriculture or activities in neighbouring countries. A detailed analysis suggested that this net benefit would be of the order of +\$2.0 maximum, which corresponds to the sustainable incomes that could be realized by affected populations. This amount is offset by an amount equal to \$0 to \$7 million, corresponding to net rents that might be available from sugar plantations. See text for additional discussion.

## Annex 3: STAP Roster Technical Review

### SWAZILAND: Swaziland Biodiversity Conservation and Participatory Development

by John H. Rappole, 22 February 2003

#### Key Issues

##### Scientific and technical soundness of the project

###### 1. Is there sufficient ecological and technical information available to give the project a sound scientific base?

*Annex 1 provides a good general description of the kind of information needed to provide a sound scientific base including trends of natural resource degradation in target areas, e.g., problems with deforestation, rangeland degradation, soil erosion, expansion of monocropping, alien plant invasion, and inappropriate settlement patterns. This annex also specifies the need to reverse trends of biodiversity loss in the target areas. Yet, little in the way of specific ecological and technical information, or sources of information, related to biodiversity is provided except for brief summaries in Annex 11. Much greater amounts of information will be required to construct the specific biodiversity objectives and measures on which project design should be based. Most importantly, the actual design of the corridor and its relationship to existing protected areas and other critical habitats should be clear at the outset. Otherwise, it will be impossible to determine the likely consequences of project implementation for biodiversity.*

*As noted on p. 27 of the PCD, collection and analysis of baseline information is planned as part of the project. Perhaps, what needs to be done is to split the project into two separate projects, the first of which would involve detailed assessment of biodiversity issues, creation of specific biodiversity goals based on the actual proposed design for the corridor, and establishment of monitoring protocols. The results of this initial project then would form the basis for the corridor implementation project.*

2. Have all threats to the ecosystem been considered? *General information about the corridor is provided (e.g., p. 15 - corridor area = 4,800 km<sup>2</sup>), and potential threats to the ecosystem are mentioned (Annex 1), but these threats are difficult to assess without a map or exact description explaining the precise length and width of the corridor in relation to existing protected areas, specific habitat types, or other natural areas affected by the corridor where high biodiversity values might be located. A biodiversity inventory should be combined with accurate use of GIS and remote sensing to map and protect sites with high biodiversity values, and to establish areas along the corridor for differing levels of human disturbance based on these values. Such maps can be used to plan the corridor in ways that could help to promote conservation of the biodiversity that is critical to the economic and social success of the plan, and should precede corridor construction. This kind of planning is discussed in the proposal, but it needs to form the basis for project implementation.*

*It is not clear from the proposal exactly what the "corridor" will be. Is it supposed to be a narrow, fenced area paralleling the road - providing a "safari park" experience for the visitor, or is it a broad swath of natural habitat providing a true and significant expansion of biodiversity protection? Mention is made on p. 12 of, "...direct capital investment for infrastructure (e.g. fencing, roads and trails, wildlife restocking, etc.) ..." These changes could have very large impacts on the ecosystem, depending on how and where they are done, but no details are provided.*

3. Does the type of ecosystem management proposed require further research? *A key portion of the project is focused on changing existing laws established under the Swaziland National Trust Commission. Currently under these laws, human use and activity is proscribed from protected areas. This PCD, however, proposes changing the laws to allow human activity and use within protected areas. This change could have significant negative impacts on Swaziland biodiversity. For instance, the Malolotja Nature Reserve, 180 km<sup>2</sup> in size, was originally 80% sheep-grazing concessions, a use that was prohibited by law once the reserve was established in the 1970s. A report by the FAO (1996, p. 9) stated, "Much pressure is exerted on the [Swaziland] natural environment resulting in reduction or complete displacement of indigenous plant material. The pressure comes in the form of increased homesteads, population, livestock, and poorly-managed pastures as well as development in general." Certainly no*

*changes to existing laws should be promulgated that would threaten or damage biodiversity already under protection. Any proposed legal changes to allow human use in certain categories of protected areas should be carefully researched to assure that sensitive, critical areas for biodiversity preservation are not subjected to human uses incompatible with biodiversity values. In addition, parts of the Strategic Tourism Infrastructure Plan calls for road-construction planning. Roads potentially are major causes of biodiversity damage because they promote human settlement and development of areas not previously accessible. So road construction and other infrastructure changes should be studied carefully to assure that they do not cause negative impacts to biodiversity.*

4. Is there a need to develop indicators to achieve the objectives? *The “Key Performance Indicators” given on p. 2 of the PCD and in Annex 1 are good, correctly placing emphasis on biodiversity as the highest priority indicator. However, they are general. These should be specific, and they should be tied to the actual project design.*

5. Will appropriate monitoring be put in place? *Monitoring should include specific biodiversity outcomes as objective measures of project success.*

6. Will the approach taken in the project proposal achieve the objectives of conserving biodiversity? *Specific biodiversity objectives and measures need to be established prior to construction of the corridor, e.g. 1) current population status of endemic, threatened or endangered species; 2) current grazing levels on sensitive veld habitats that will be affected by the corridor; 3) current poaching of threatened/endangered species; 4) amount of protected critical habitats that will be affected. Conservation of biodiversity requires specification of appropriate measures for assessing success in achieving objectives, and clear monitoring protocols employing these measures to be used at specified intervals to assure project success.*

7. What are the risks and constraints associated with the approach? *The economic, social, and development objectives of the project could be achieved, and yet fail to improve, or could even further damage, biodiversity in Swaziland.*

8. Is there any weakness or gap in the project? *As stated in the PCD, the project’s objectives should derive from the known problems threatening biodiversity in Swaziland. The project should identify a suite of specific biodiversity problems, explain how construction of the proposed corridor will alleviate those problems, and establish specific measures to assure progress through monitoring.*

9. Are there any controversial aspects about the project? *Significant amounts of the GEF funds appear to be directed toward various government agencies and advisory personnel without clear linkage to specific positive biodiversity outcomes subject to objective monitoring and evaluation procedures. Specific biodiversity outcomes should serve as objective measures of project success. To accomplish this requires more thorough specification of corridor design relative to existing protected areas and critical habitats.*

10. Does the project introduce incentives that may lead to overharvesting (in the case of a sustainable use project)? *Construction of new roads could lead to increased access by poachers, squatters, and homesteaders to areas previously inaccessible unless specific efforts are taken to patrol these areas.*

11. How will the drops in revenue as a result of conservation measures be compensated? *No drops in revenue are anticipated. The purpose of the project is to increase economic opportunity through promotion of tourism.*

12. Are there legal instrument aspects that should be dealt with? *It is critical that no changes be made to existing laws protecting existing Swaziland protected areas from human incursion. New protected areas are proposed under this project, and these will require new categories of protection that allow some forms of human disturbance. Types of disturbance allowed should be carefully crafted in new laws to assure that effects on biodiversity are limited, and will not threaten significant biodiversity values. The PCD lists four types of land use designations - “core protected areas,” “tourism development zones,” linkage/connection areas,” and “support zones.” Presumably plans for the project involve obtaining different legal status for these, but care needs to be taken not to compromise biodiversity values in the process.*

13. How will the model of sustainable use outlined in the project be developed? *The hope is that communities*

*along the corridor will become involved in tourism activities that will provide long-term economic benefits.*

14. How effective will the proposed model be in the local situation? *To be effective the model needs to be linked to specific outcomes for established measures of biodiversity values identified as critically important. Mention is made of “community-based conservation” on p. 11 of the PCD, but no details are provided as to what this term means.*

15. Is there evidence that the project offers the best long-term solutions? *Specific biodiversity goals should be established at the outset, based on what is already known, if possible, or on baseline inventories, assessments, and mapping done as a required preliminary step to corridor construction. These goals should be used to establish biodiversity monitoring protocols used to assess project success at intermediate stages, and at project completion.*

### **Identification of Global Environmental Benefits**

How does the project fit within the context of the goals of GEF? *Swaziland has biodiversity concerns that are of global importance, as stated correctly in the PCD. Thus a GEF program focused on alleviating a portion of the country’s biodiversity problems is well-justified. The PCD is also correct in emphasizing the importance of involving economic and social factors in the preservation of the country’s critical biodiversity resources. As noted in previous World Bank and GEF studies of parks and people, the best way to ensure conservation of biological diversity is to reconcile management of protected areas with the social and economic needs of local people (Wells and Brandon 1992, Smith and Martin 2000). However, for GEF programs, biodiversity values should be central. Unless specific biodiversity objectives are given highest priority in a project of this kind, then the positive effects on biodiversity mandated as central for GEF projects are unlikely.*

Regional Context *Effects on regional biodiversity are discussed in the PCD in which it is correctly pointed out that protection of corridor habitat in upper reaches of watersheds will help preserve downstream biodiversity (and economic) values.*

Replicability of the Project *Replicability presumably depends upon project success in achieving biodiversity objectives. However, this result depends upon designation of specific biodiversity objectives to be expected as outcomes.*

Sustainability of the Project *It is assumed that the economic benefits accruing to participants will assure continuation of the project.*

### **Secondary Issues**

Linkage to focal areas *The corridor concept is designed with linkage of major existing wildlife areas.*

Linkage to other programmes and action plans at the regional or subregional level *The corridor concept is designed to link major existing wildlife areas within Swaziland to neighboring areas of South Africa and Mozambique.*

Other beneficial or damaging environmental effects *It is critically important to place specific biodiversity outcomes as central for the project. Otherwise, relaxation of laws allowing human access to protected areas, new roads that increase avenues for access, and other changes associated with development of the corridors could cause more damage to biodiversity than improvement.*

### **Degree of Involvement of Stakeholders in the Project**

1. Are there provisions for the establishment of appropriate lines of communication? *Yes.*

2. Is there a plan for facilitating the flow and exchange of technical information between communities and stakeholders? *Yes.*

3. Are the participatory schemes adequate? *Yes.*

4. Have conflict issues been dealt with? *Yes.*

## **Capacity Building Aspects**

1. Has adequate attention been paid to capacity building aspects? *Capacity-building is a central issue in this proposal.*

2. Is there sufficient human capacity to tackle the issues addressed in the project? *As mentioned on p. 25 of the proposal, human capacity is a major concern, which is why technical assistance and training comprise significant portions of the project.*

## **Innovativeness of the Project**

In which respects are the approaches of the project innovative? *If properly planned, with specific biodiversity measures in place, creation of corridors of protected habitat connecting major regions of biodiversity in the country could have significant positive impact.*

## **Literature Cited**

FAO. 1996. Swaziland country report. International Technical Conference on Plant Genetic Resources, FAO, Leipzig, Germany.

Smith, S.E., and A. Martin. 2000. Achieving sustainability of biodiversity conservation. Global Environment Facility, Washington, D.C.

Wells, M., and K. Brandon. 1992. People and parks. The World Bank, Washington, D.C.

## **RESPONSES TO ISSUES RAISED BY STAP ROSTER TECHNICAL REVIEWER**

In response to the comments received from the STAP Roster Technical Reviewer, the Project Concept Document/GEF Project Brief has been revised as follows:

(1) to give more detail on the significance and distribution of biodiversity within the project area and of the threats to that biodiversity, and to make the targets and monitoring indicators for biodiversity outcomes more specific;

(2) to provide maps showing the proposed Biodiversity and Tourism Corridors (these maps will be further refined as project preparation proceeds). Also, the project team notes that substantial GIS work has been done under project preparation to support the delineation of these Corridors, by mapping key parameters such as transformed vs. untransformed areas, areas of high agricultural potential, human population densities, etc.;

(3) to clarify what is meant by the "Corridors," i.e., that they are broad areas of natural habitat within which conservation-oriented land use will be promoted, and not narrow, fenced areas;

(4) to clarify that it is not intended to revise national policies or laws loosen regulations to allow human occupation or use of existing Protected Areas. Instead, the objective is to make provisions for the creation of new types of Protected Areas, such as Community Conservation areas, in currently unprotected sites.

(5) to clarify that GEF funds are sought only for GEF-eligible activities, while economic development activities are to be supported through Government funds or co-financing from other sources.

## **Additional GEF Annex 4: Biodiversity Value of the Swaziland Biodiversity and Tourism Corridors**

### **SWAZILAND: Swaziland Biodiversity Conservation and Participatory Development**

#### **National Context**

The Kingdom of Swaziland is a landlocked country of about 17,364 km<sup>2</sup>, bounded by South Africa on the north, west and south, and by Mozambique on the east. About 4% of the country is currently protected for biodiversity conservation, 7% is privately owned commercial cropland, 5% is privately owned commercial forest plantation, and the remainder is communal Swazi Nation Land (SNL) administered by Chiefs and occupied and used by smallholders for subsistence crops and livestock.

The proposed project seeks to preserve two broad corridors of relatively intact natural habitat which, taken together, represent approximately 1/3 of the total land area of the country. The “Northern Corridor” runs west-east, from the Drakensberg escarpment of South Africa (and the Songimvelo, Malalotja and Makhonjwa parks and reserves in Swaziland), across the Komati escarpment, to the Mozambique border. The “Eastern Corridor” runs north-south along the Lubombo mountains and escarpment, linking the important ecosystems of the Drakensberg afro-montane habitats and the Maputaland Center of Plant Diversity with South Africa’s Kruger National Park. The recently declared Lubombo Transfrontier Conservation Area falls within the Eastern Corridor (see map, Annex 8).

The majority of the Komati, Mlumati and Mbuluzi river basins fall within the two proposed Corridors. These watersheds are critical to downstream water supply in South Africa and Mozambique, including the agricultural and industrial Maputo Corridor Spatial Development Initiative. They also represent the catchment for important hydro-electric and irrigation dams (e.g. the \$100 million Maguga Dam) and provide the water which maintains the economically vital sugar industry in Swaziland (as well as a significant part of the substantial sugar production in Mpumalanga Province in South Africa. At present there are no management programs or strategies in place for these critical catchments

#### **Biodiversity Values: Ecosystems and Species Diversity**

The small territory of Swaziland encompasses a surprising richness of biodiversity as a result of its location and its great variations in landscape, geology and climate. It lies at a unique crossroads between the tropical flora to the north and more temperate flora to the south, including the extremes of many species ranges. Specifically, the country is located between the Transvaal plateau (reaching over 1500 meters) and the coastal plains of Kwazulu-Natal Province, northeast Mpumalanga Province, and Mozambique. The western part of the country thus lies in the high elevation escarpment area and the eastern part in the coastal plain zone. Within this span lie four main ecosystems: open montane grasslands, semi

savanna-woodland mosaic, forests and wetlands.

Swaziland is recognized as having the greatest species diversity (i.e, spp. Per 1000 km<sup>2</sup>) of all the southern African countries, and contains 14% of the taxa recorded for the entire region. While the country is greatly under-surveyed compared to its neighbors, recent studies indicate at least 24 endemic species, approximately 3400 plant species, 116 mammal spp., 489 bird spp. (more species and within a smaller area than in Kruger National Park, a world renowned birding locality), 154 species of amphibians and reptiles, 51 species of fish, and over 5000 invertebrate species including 303 butterflies. These include a number of rare and threatened/endangered endemic species (snakes and other reptiles, birds, mammals such as the Vaal rhebuck, etc.).

The savanna ecosystem originally representing about 48% of the country, the savannah-woodland ecosystem 46% of the country, and forest ecosystems about 2% and aquatic ecosystems about 1%. (This distribution is typical of the southern Africa region). Forest ecosystems are mainly found at moderate to high elevations in the west of the country, along rivers and in ravines within the Lubombo Mountains. At high altitudes, forest patches are interspersed amongst the grasslands and play an important role in supporting biodiversity. Overall, the savannas exhibit the highest degree of species richness, while the grasslands contain the highest levels of endemism. The forest areas are home to a number of rare or range-restricted species including two species of cycads. The aquatic ecosystem covers the smallest area of the country, but supports a relatively high density of species and plays an important role in maintaining the other ecosystems, such as riverine forests. Swaziland's wetlands host no known endemic or threatened plant species, but do have a significant number of threatened aquatic vertebrates.

Under the National Biodiversity Strategy and Action Plan (BSAP), the grasslands and forests have been ranked as the highest conservation priority, based on considerations such distributions, uniqueness within the southern Africa region and proportion of the ecosystem currently under protection within Swaziland or within the region. However, certain areas of savanna (particularly areas within the Lubombo mountains) are also considered to be of high conservation priority as they contain several plant and animal species that are endemic to this mountain range. In addition, 66% of the commonly used plant species occur in this area.

Biodiversity resources also play a major economic and cultural role in Swaziland. Many plant species are used in traditional healing. Hunting is an important cultural tradition, as demonstrated for example by the National Hunt (Butimba) which takes place with considerable ceremony outside Hlane National Park each year. The BSAP estimates (extrapolating from data on ecologically and culturally similar Mpumalanga Province in South Africa), that as much as 219 tons of indigenous medicinal plants may be consumed locally each year, with an approximate value of E27 million (NOTE: CONVERT TO US\$ AT 1997 EXCH RATE). Beyond the value of individual species, there are valuable environmental services from ecosystems. An impact study on the Maguga Dam (1997) estimated the total value of aquatic and woodland ecosystem services to the households affected by inundation at somewhere between E8,000(\$\_\_\_) per year per household. With an estimated 54,000 households living on

savanna woodlands throughout the country, at this rate the total economic contribution of these woodlands to Swaziland could be as much as E436 (\$\_\_ ) million/year, or about 36% of the GDP for 1996. The value of these services is not reflected in the calculations of GDP, however. Revenues from tourism in the Protected Areas are relatively modest by regional standards. For example, an average of 7000 people visit the Malolotja Nature Reserve each year, spending about E250,000 in park entry fees.

### **Biodiversity Values: the Mountains-to-Plains Gradient**

Aside from its variety of habitats and overall species richness, the great biodiversity value of Swaziland lies in the fact that, from west to east, Swaziland represents one of the largest remaining, mainly contiguous gradients of diverse veldt communities (from montane to coastal plain) in the region. Furthermore, in Swaziland this continuum is unusually compressed into a linear distance of about 200 km. Intact altitudinal gradients such as this represent a high biodiversity value because they provide the opportunity for ecological process such as migrations and seasonal dispersals, genetic flows, and adaptation to long-term phenomena such as climate change.

The proposed **Northern Biodiversity Corridor** represents a habitat continuum representative of a number of important southern African ecosystems and geological formations, including (from west to east): a transfrontier conservation area comprising the eastern plateau of the Drakensberg, which represents a portion of the Afromontane archipelago; middleveld and lowveld areas of mixed Acacia and broad-leaved savanna and tall grasslands; the Lubombo Mountains with their diverse range of short broad-leaved savannas, bush clump grassland and forested ravines; and the Maputaland coastal plain which then runs to the Indian Ocean.

#### Sub-regions within the Northern Corridor:

The Drakensberg ecoregion of Afromontane grasslands and woodlands (extending from the Eastern Cape Province of South Africa through Lesotho and western Swaziland into central Mpumalanga Province), includes the Barberton Center of local endemism.. Malolotja contains relict species such as *Protea comptonii* and several species of cycads (*Encephalartos* spp.). The upland sphagnum bogs of this area have been identified as among the richest biota in Swaziland. Rich floristic associations are also found in the areas of upland granites around Mbabane and south-eastern Malolotja. A number of endemic plants and vertebrates are found in this area, including significant populations of rare, vulnerable and/or endangered species with restricted distributions E.g.: Category A1 (Globally Threatened): Blue Swallow (*Hirundo atrocaerulea*), Blue Crane (*Grus paradisea*), Ground woodpecker (*Geocolaptes olivaceous*), Buffbreasted Chat (*Oenanthe bifasciata*) and Southern Bald Ibis (*Geronticus calvus*). Protected areas in this region of Swaziland include the Malolotja Nature Reserve, Hawana Nature Reserve, the northern part of the Mlilwane Wildlife Sanctuary, and the Malolotja Nature Reserve which is partially contiguous with the large Songimvelo Nature Reserve in South Africa. The Malolotja NR is one of the very few protected areas in southern Africa where a substantial area of the grassland biome is conserved.

The middleveld and lowveld represent less biologically diverse but very productive habitats with fertile soils which historically supported a large and varied range of large mammal species. Several examples of adjacent but structurally disjunct floristic associations are found within this area of the proposed Corridor, arising from varied land uses. Much of the middleveld has been settled by pastoralists, and at least 50% of the lowveld in Swaziland has been transformed into sugarcane monoculture. Biologically valuable areas do survive within this matrix, generally in inaccessible areas or on private or state ranches. Protected areas include the Mlilwane Wildlife Sanctuary, Mkhaya Game Reserve, Hlane Game Reserve, Mlawula Nature Reserve (containing both lowveld and Lubombos) and various private nature reserves (e.g. Phophonyane, Mhlosinga, Mbuluzi). The northern lowveld in Swaziland is notable in supporting an amphibian and avifaunal diversity that is probably the richest in the country, as well as rare relict tropical snake species).

The Lubombo Mountains are a rhyolite-dominated intrusion associated with the breakup of Gondwanaland. With a maximum elevation of 770m (at Muti-Muti, just south of Siteki) they are breached by several large rivers which have created impressive river valleys. The Lubombos form the western limit of the Maputaland-Pondoland Regional Mosaic, and there are high levels of endemism. In Swaziland, the higher western rim and the Shewula plateau area have been fairly heavily settled, but much of the rest of the range is largely intact. About 10,000 ha of the northern Swazi Lubombo is protected within the parastatal nature reserves of Mlawula and Ndzindza, and 800 ha of the higher Lubombo falls within the ungazetted private Muti-Muti Nature Reserve. Numerous endemic plants and reptiles are found, along with significant relict highveld and coastal floral and faunal communities. The Swaziland Lubombos support the range's only population of oribi, and the southernmost African populations of Sharpe's grysbuck (*Rhaphicerus sharpei*). An adjacent area in Mozambique contains that country's only population of Mountain reedbuck (*Redunca fulvorufula*).

The proposed **Eastern Biodiversity Corridor** (contiguous with the eastern end of the Northern Corridor) incorporates the area falling under the Lubombo Spatial Development Initiative, comprising the Lubombo Mountains and eastern Lowveld. This area also incorporates the Swaziland component of the Maputaland Center of Plant Diversity. This regionally and globally recognized area, one of the WWF Global 200 Ecosystems, is reportedly the richest biodiversity area in southern Africa after the Cape Floral Kingdom. The MCPD is a trans-border resource: the Mozambique portion is being supported under the (GEF and IDA) Mozambique Transfrontier Conservation Areas project. The TFCA approach focuses on managing land and biodiversity resources on an ecosystem level, to support environmentally and economically sustainable development. The Mlawula Nature Reserve, one of Swaziland's most important conservation areas, falls within the Lubombo Conservancy Together with the Mbuluzi Nature Reserve, Shewula Community Land, a portion of the Nkalashane Cattle Ranch, and – in the future—the Hlane National Park).

In addition to the official and private protected areas, substantial portions of the proposed B-T

Corridors) remain largely intact or only moderately transformed through grazing and tree harvesting for fuel and other purposes. Included are several large MOAC cattle ranches, which have had very low stocking rates compared with the communal Swazi Nation Land areas.

### **Threats to Biodiversity**

The greatest and most urgent threats to Swaziland's biodiversity are conversion to other forms of land use, and degradation through over-exploitation. About 25% of the original extent of each of the three main ecosystems (grassland ecosystem, savanna and forest) has been converted. Grassland and forest areas have been converted mainly to exotic tree plantations, the savanna of exotic tree species; while the savanna ecosystem has been converted to agricultural use, particularly to irrigated sugarcane monoculture. In some areas water constraints have limited, but not halted, this process conversion.

Much of the area not yet transformed to cultivation has been degraded, mainly through overgrazing unsustainable harvesting of wood. This is particularly true of Swazi Nation Land, which is characterized by largely uncontrolled communal access to natural resources and virtually no systems to control or manage utilization. Extensive overgrazing has resulted in soil erosion and bush encroachment over large areas of the savanna ecosystem, and livestock trampling has taken a large toll on aquatic ecosystems. Poor fire management has aggravated the problem of overgrazing and contributed to bush encroachment in many areas. Aquatic ecosystems are suffering mainly from over-grazing, both within wetlands themselves and also as a result of siltation from soil erosion in over-grazed neighboring savannas.

Invasive alien plants such as guava (*Psidium guajava*), lantana (*Lantana camera*), Mauritius thorn (*Caesalpinia decapetala*), *Chromolaena odorata* and wattle (*Acacia spp.*) are becoming a serious problem, particularly within and alongside aquatic ecosystems and in forest areas. These aline plants displace indigenous biodiversity and reducing grazing potential. Alien animal species such as India mynah birds (*Acridotheres tristis*), large mouth bass (*Micropterus salmoides*) and rainbow trout (*Onchorhynchus mykiss*) also represent a serious threat to indigenous species. This problem affects both natural habitats and agricultural areas, causing both ecological and economic damage.

Hunting is popular both for food and as a cultural tradition, and some species, particularly antelopes and predators, have been decimated and are virtually extinct outside the few Protected Areas. Some medicinal plant species are also severely threatened. Control measures are lacking or ineffective outside of protected areas, and even within some protected areas there is a problem of poaching of animals, trees and medicinal plants. Bird species are affected by habitat loss and also by pesticides.

While Swaziland still has substantial areas of relatively intact ecosystems at all points along its altitudinal gradient, many areas have been degraded to varying degrees by overgrazing and deforestation. Those areas of the country that are still relatively intact are, however, are coming under increasing pressure. To date less than 15% of the land area has been fully transformed to

commercial agricultural (primarily sugarcane, pineapple and citrus) and exotic plantation forestry, but there is strong government interest in developing new commercial agricultural areas wherever the agro-ecological conditions are deemed suitable. A parastatal company (Swaziland Komati Project Enterprise Ltd.) has been established specifically to identify and develop new irrigated sugarcane areas. The government-owned cattle ranches, which represent important biodiversity areas, are also under threat as the MOAC has begun to offer leases on them to the private sector for commercial use.

**TABLE 1**

**Biodiversity Threats Analysis**

| <b>Major Threats</b>  | <b>Root Causes</b>   | <b>Solutions Including GEF Intervention</b>   | <b>Risks</b>  |
|---|--|---|---|
| Conversion of “protection-worthy natural areas (PWA) to commercial agriculture (esp.sugarcane) and to exotic tree plantations, leading to direct biodiversity loss and to habitat fragmentation | Government policy to expand commercial cultivation for economic development  | Increase the area under protection and/or conservation use (1/3 of the country, including a major proportion of identified PWAs, put into Biodiversity & Tourism Corridors); Provide a realistic alternative economic model for sustainable economic development based on maintaining biodiversity and natural habitats in key areas. | Short-term economic interests will prevail over long-term sustainability;<br><br>Nature-based tourism may not develop with sufficient speed or to sufficient level to compete with environmentally destructive development from Govt. or local stakeholders’ perspective;<br><br>Lack of political commitment to support the BTC concept (through policies, cross-sectoral coordination, public investment, etc.) |
| Expansion of subsistence cultivation into key natural habitat areas   | growing rural population;<br><br>declining off-farm employment opportunities | Provide a realistic alternative for economic benefits from key natural areas, through nature-based tourism development;<br><br>Ensure tourism development emphasizes local participation and employment creation  | Rural communities may not accept tourism as a livelihood option, or may accept it without adequate understanding of the time and training and investment required to achieve success (resulting in early failures and disillusionment with the concept)   |
| Over-exploitation of biological resources:  | growing rural population;  | Assist communities to identify and implement  | Conservative traditional culture may be obstacle to   |

|   |   |   |  |
|---|---|---|--|
| <p>wood products, vertebrates (hunting), medicinal plant species, savanna vegetation (over-grazing)</p> | <p>declining off-farm employment opportunities;</p> <p>“open access” and lack of natural resource management mechanisms on Swazi Nation Land</p> <p>lack of mechanisms or incentives to ensure regeneration of depleted NR stocks</p> <p>cultural preference for large livestock herds</p> <p>heavy reliance on woodfuels for energy (80% of rural population)</p> <p>cultural tradition of hunting</p> <p>only a few animal and plant species protected by law; inadequate enforcement of laws</p> | <p>improved NRM;</p> <p>Policy reform to provide property rights to encourage longer-term management perspective;</p> <p>Provide direct and indirect incentives for conservation-oriented land and resource use (e.g. carbon financing; tourism revenues; conservation concessions)</p> <p>Proposed GEF rural electrification project</p> | <p>improving NRM (e.g. reducing grazing pressure);</p> <p>Political resistance to giving communities greater control over land and resources</p>   |
| <p>Environmentally destructive tourism or industrial development</p>                                    | <p>Some sectors of Government regard large-scale foreign capital investment as engine for economic development and political popularity (e.g. “Millennium Projects” initiative), without adequate analysis of long term and distributional effects</p>  | <p>Provide a realistic and competitive alternative model (with data to demonstrate its viability and benefits in terms of Swaziland’s poverty alleviation strategy);</p> <p>Support a process of land/resource planning that involves wide range of stakeholders</p>  | <p>Some sectors continue to pursue short-term economic and political interests (failure of cross-sectoral coordination);</p> <p>Participatory planning process fails to yield strong consensus and political support for the BTC concept</p> |
| <p>Bush encroachment and Spread of invasive alien spp.</p>  | <p>Overgrazing due to overstocking of cattle;</p> <p>Disrupted natural fire regimes due to overgrazing and other habitat changes</p> <p>High expense and no support or incentives for clearing alien vegetation</p>   | <p>Support for improved management of grazing areas (including incentives for reduction of stocking levels where needed);</p> <p>Support and incentives for fire management in conservation areas</p>   | <p>Local populations not willing to implement improved grazing management</p>  |

|  |  |  |
|--|--|--|
|  | Development of strategy for controlling spread of alien invasive species |  |
|--|--|--|

## **Institutional Framework**

There are a total of 17 conservation areas in Swaziland, covering about 4% of the country (including 2% of the original montane grassland ecosystem, 5% of the original savanna-woodland area, 2% of the forest area and 2% of the wetland area). Only six of the 17 are gazetted Protected Areas (PAs), and these six cover 86% of the total conservation area network. The remaining 11 conservation areas (Mhlosinga, Mbululzi, Simunye, Phophonyane, Muti Muti, Shewula, Sibhetsumoya, Oberland, Hawane, Nisela and Shonalanga) are not gazetted and therefore have no legal status. This limits their security as conservation areas, making them vulnerable to encroachment or transformation to other purposes. Ten of the 17 areas are located in the eastern and northern parts of the country. Only one area (Shewula, established in 1999) is on SNL, the remainder are on Crown land or privately owned land. Hlane, Mlawula, Shewula, Mbuluzi, and Simunye conservation areas are contiguous and together form an area of over 42,000 ha. A few of the other areas are also connected to one another (e.g. Mlilwane and Mantenga), or to conservation areas in South Africa (e.g. Malolotja adjoins Songimvelo Nature Reserve in RSA to form a transfrontier conservation area of over 40,000 ha). However, most of the remaining conservation areas are isolated and small (less than 500 ha), which greatly reduces their conservation value.

The Swaziland National Trust Commission is the main government agency charged with preserving the country's natural (and cultural) heritage. It manages three gazetted nature reserves (Malolotja, Mlawula and Mantenga) which, taken together, protect a large portion of the country's vertebrate diversity. SNTC has also expanded its Protected Area (PA) system in the past decade. However, its mandate is restricted to declared parks and reserves and national monuments. The Swaziland Environment Authority (SEA) was established in November, 1992, with the mandate to coordinate the government's efforts to incorporate environmental factors into Swaziland's development process. One of its very important roles is implementing the Environmental Impact Assessment regulations, i.e. for reviewing EIAs which by law must precede any development, and for issuing compliance certificates where appropriate. This process has a positive impact on biodiversity conservation among other environmental management objectives. SEA also raises public awareness on environmental issues. The Forestry Section of the Ministry of Agriculture and Cooperatives is responsible for forest policy and for management, protection and conservation of forests. It is also responsible for promoting optimum productivity of forest resources, coordinating timber harvesting (as well as wildlife management and water conservation) in cooperation with other ministries, and encouraging woodlots and efficient timber processing. (Some facilities for *ex situ* conservation, such as gene banks for indigenous crops and botanical gardens exist but are not discussed here).

In addition to these government agencies, there is a private company (Big Game Parks) which manages three reserves (Mlilwane and Mkhaya Game Reserves and Hlane Royal National Park). There are also a few private reserves and game ranches covering a very small total area.

The legal framework includes:

- the National Trust Commission Act (1972), which allows for the establishment of National Parks and Nature Reserves, whose objectives include promotion and conservation of indigenous animals and plants and protection of the natural ecology and environment of the park or reserve;
- the Swaziland Environment Authority Act (1992), which is concerned with the maintenance of a health and functioning environment (which includes ensuring that the habitat of indigenous plants and animals is not destroyed);
- the Game Act (1953; amended in 1991 and 1993), which regulates hunting and imposes stiff penalties for illegal hunting, particularly of Royal Game (including nearly all medium and large mammals and birds except Guinea Fowl);
- the Flora Protection Act (1952) originally protected only 30 plant genera and species, but has been recently revised to protect over 200 species, with stiff penalties for offenders (the Act also provides for the establishment of botanical gardens);
- the Protection of Freshwater Fish Act (1937) provides some protection to indigenous fish species by stipulating a “closed season, and by prohibiting certain destructive fishing methods. It does not provide direct protection to any fish species;
- the Plant Control Act (1981) prohibits the exportation of indigenous plants without written permission from the SNTC. It also requires phytosanitary certificates for all soil and plant material entering the country and also prohibits importation of alien animal species.

The BSAP notes that the current institutional framework is not adequate for conserving Swaziland’s biodiversity, with the possible exception of agro-biodiversity. This is due to both to a chronic shortage of human and financial resources and limited implementation and enforcement of the above laws, and to specific institutional gaps. For example, the SNTC does not have the mandate to create a protected area network covering all ecosystems. While it does have a Community Outreach Program that seeks to assist communities neighboring SNTC reserves to manage resources sustainably (e.g., the Mlawula Nature Reserve was instrumental in development of the community-based Shewula Nature Reserve), it does not have a legal mandate to establish community-based natural resource management (CBNRM) programs. The Game Act protects only listed species, which does not include any reptiles other than crocodiles and pythons, nor any amphibians, fish or invertebrates. Thus, none of these taxa enjoy any official protection.

Other shortcomings include the fact that the majority of existing conservation areas do not enjoy legal protection, and the network as a whole is highly fragmented, with many small, isolated areas that cannot support viable populations of many species. Their conservation value would be greatly enhanced by creating ecologically effective corridors and linkages among them.

Finally, the BSAP itself remains a draft and has not yet been officially adopted as GOS policy. Nevertheless, a committee has been established to coordinate implementation of the BSAP. This committee has initiated numerous activities including surveys of various taxa and identification of “Protection Worthy Areas” which are recommended to be protected in order to ensure

effective protection of a representative sample of the country's biodiversity. Presently 44 such areas were identified and prioritized in a 2000 report, based on rough criteria in five categories: biological value, physical value, socio-economic value, long-term sustainability value and availability for protection (see map, Annex 8). However, this identification and ranking was done through a desk study and requires corroboration through field-based studies. Equally important, the criterion of connectivity (contiguity) needs to be added to the analysis.

**Additional GEF Annex 5: Participation Strategy**  
**SWAZILAND: Swaziland Biodiversity Conservation and Participatory Development**

**CONTEXT**

The heart of the BCPD project is a multi-sectoral, participatory spatial planning process, which is to result in production of Integrated Corridor Management Plans (ICMP) to serve as guiding frameworks for sustainable economic development. This process requires participation of a broad range of stakeholders across the large planning area, both to prepare the ICMPs and to implement them. This presents a major challenge given the size of the areas and the diversity of stakeholders involved.

The two proposed Biodiversity and Tourism Corridors to be defined and developed under this project together cover approximately 1/3 of the country and are home to about 200,000 people (22% of the country's total population). Land ownership/tenure and land use within the corridors are very diverse. Forms of land ownership include Swazi Nation Land (SNL) which is communally used land under the jurisdiction of chiefs, several categories of official Protected Areas under the jurisdiction of the Swaziland National Trust Commission or others (e.g. a commercial group called Big Game Parks), private nature reserves, cattle ranches belonging to the Ministry of Agriculture and Cooperatives or to private owners, privately owned commercial agricultural and plantation areas (many foreign owned), land under direct ownership of the King, and ceremonial hunting areas. The great majority of the area is SNL occupied by scattered smallholders carrying out mainly subsistence agriculture and livestock husbandry. Much of this land is degraded to a greater or lesser degree by overgrazing and over-harvesting of trees, but not actually transformed (compared with commercial agricultural or plantation areas).

The stakeholder base for this project is thus very large and diverse, with a range of different economic interests, social structures, educational levels, and experience in a modern market economy. Private landowners are as a rule well educated and commercially relatively sophisticated. Quite a few are already engaged in some aspect of tourism, catering for local or international visitors. They typically live either in towns or in well-serviced areas where they derive much of their energy from electricity and have access to modern water supply. The relatively large number of privately owned nature reserves indicates that conservation awareness and interest is fairly high within this stakeholder group, reflecting both non-economic (aesthetic, heritage) and economic values (particularly tourism and hunting enterprises). Some of the commercial agricultural and is held by modern corporate structures, mainly foreign-owned. These stakeholders are governed mainly by the modern "arm" of the country's dual political/administrative system and are largely outside the traditional authority system. By contrast, the large rural population communally occupying SNL are much more reliant on direct consumption of locally available natural resources (rivers, forests, grasslands). Their average educational level is high compared with most African countries, but they usually have little direct experience with any form of commercial enterprise (beyond sale of produce in local markets), much less experience in a highly specialized and demanding service industry such as tourism. Socially and politically they are firmly set within a traditional governance system of

chieftancies (the Tinkhundla system), with the King as the apex. The Prime Minister's office is the central administrative structure for local government.

The multi-sectoral nature of the project means that there are diverse stakeholders with different mandates, interests and levels even just within Government (e.g. central government agencies, local arms of central agencies, traditional authorities). Furthermore, there is a substantial and active NGO sector in Swaziland, which is closely involved in issues of land and natural resource management, biodiversity conservation, and social and economic development. Beyond this, donors are also important stakeholders because a substantial part of the funding to implement the project is expected to come from external sources.

All of these stakeholder groups must be brought together in an efficient and productive way, both in project preparation and implementation. This calls for clearly defining the objectives of participation at each stage, appropriate representatives of each stakeholder group, and effective means to reach and interact with each of the groups. A Participation Strategy covering these aspects was developed by the Project Preparation Team and is under implementation.

## **PARTICIPATION OBJECTIVES**

The BCPD project is largely a "process" project. It aims to develop institutional structures and capacity among all stakeholders to carry out an innovative approach to spatial planning, built upon the linked objectives of conserving biodiversity and natural ecosystems, and promoting local economic development through tourism and improved natural resource management. Much of the time and resources of the project are allocated to this planning process. While some funds are allocated for investing in the implementation of the resulting ICMPs, the exact location and nature of these investments will not be known until the ISPP process is well underway (i.e., when the project is already under implementation).

The Participation Strategy addresses three phases of the project, each with its own objectives.

During the identification/preliminary preparation stage (nearing completion), the objective has been to identify key stakeholders and their representatives, and identify mechanisms to ensure their participation in the process of designing and preparing the project. This has been achieved and documented in the Participation Strategy, which identifies the key stakeholder groups and mechanisms for informing and involving them (e.g. through workshops; through brochures, newspaper articles, radio and other media outlets; through one-on-one meetings between the Project Preparation team and key stakeholder representatives, etc. (An "awareness" consultancy is being undertaken to produce and distribute informational materials). The strategy takes account of local social and cultural mores, for example the fact that outsiders such as the Project Team require the permission of the chief before they can enter into any form of discussion with community members. The Strategy also takes into account that different stakeholders require different types and degrees of information, and are

expected to be involved in the project in different ways.

During the main preparation phase (from present through early June), the objective is to reach out to the various stakeholders (broadly with information, and through their identified representatives for consultation), in order to increase awareness and knowledge of the project's objectives and to obtain input on important elements of project design. This includes raising general awareness of overall project objectives and approaches at a national level; and ensuring more in-depth understanding of the proposed project (what it will and won't do, and why) at the level of communities and landowners and others who are likely to be directly affected. A balance must be struck to get "buy-in" from these stakeholders and encourage them to consider how they might contribute to, and benefit from, the project, without raising undue expectations, particularly with respect to the level of direct investment that the project is likely to fund over the next few years. The Project Team will focus in particular on: (i) getting views from various stakeholder groups as to the best mechanisms to ensure and channel their participation in the ISPP process (particularly the extent to which existing local governmental and non-governmental structures can serve this process); and (ii) learning what concerns they may have regarding the project's impacts on their livelihoods and interests. During this period, there will also be formal consultations on the draft project Environmental Assessment and on the draft Resettlement Policy Framework and Resettlement Process Framework.

During project implementation, the main objectives will be to: (i) ensure effective participation by all key stakeholders in the ISPP process and the next level of development of management plans for tourism zones, different types of PAs, etc; (ii) to facilitate different stakeholders understanding and playing their respective roles in the project; and (iii) to establish a beneficiary monitoring and evaluation / feedback system for adaptive management.

## **PARTICIPATION MECHANISMS**

The preparation process has been set up to lay the groundwork for the strong cross-sectoral and multi-stakeholder coordination that will be essential to the project. Project preparation is led by a cross-sectoral Project Steering Committee comprising high-level representatives of the Ministry of Economic Planning and Development, the Swaziland Environment Authority (SEA), the Swaziland National Trust Commission (SNTC), the Tourism Authority and the Department of Tourism (Ministry of Tourism, Environment and Communications). The same entities are also represented on a working level Project Management Group. The PSC is supported by a Technical Committee which includes representatives of technical specialists from the same entities along with a wide array of stakeholders, including: the Ministry of Agriculture and Cooperatives (Forestry, Fisheries, Veterinary & Livestock services, and Land Use Planning departments); the Deputy Prime Minister's Office (representing the Tinkhundla system of traditional authorities); the Ministry of Tourism, Environment and Communications; the Ministry of Public Works (Roads Dept.); the Ministry of Natural Resources (Water Resources Dept.); the Swaziland Investment Promotions

Authority; the University of Swaziland; NGOs and parastatals (e.g. the Komathi Basin Water Authority; the Swaziland Komathi Projects Enterprises; the Shewula Trust (a community group), the Swaziland Farmers Development Foundation; the Komathi Basin Water Authority; the Northern Swaziland Development Agency; the Hotel & Tourism Association, the Hotel & Tourism Association, Yonge Nawe; corporations such as timber/plantations (SAPPI), wildlife areas management (Big Game Parks); owners of private reserves (e.g. Phophonyane LOdge; Mbuluzi Game Reserve, etc. The Traditional Healers Association has been invited but has not yet chosen to participate.

**Additional GEF Annex 6: MAP OF SWAZILAND: PROPOSED BIODIVERSITY & TOURISM CORRIDORS**

**SWAZILAND: Swaziland Biodiversity Conservation and Participatory Development**

**KEY:**

**Biodiversity-Tourism Corridors: "Backbones"**

- Black : Proclaimed Natural Reserves and Protection-Worthy Areas\* currently managed for conservation
- Black/ White dots: Protection-Worthy Areas not currently managed for conservation
- Gray: Key linkage area

**Biodiversity-Tourism Corridors: "Support Zones"**

- Gray hatched

0 \_\_\_\_\_ 150 km



