

Initial Project Information Document (PID)

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1. Country and Sector Background

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 increasing 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.

2. Objectives

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, accommodation, 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.

3. Rationale for Bank's Involvement

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.

4. Description

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 km², 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

Integrated and Participatory Spatial Planning (including Strategic Environmental Assessment)
 Participatory Biodiversity Conservation and Management
 Sustainable Private Sector-Driven Tourism Development
 Sustainable Community-Based Natural Resource Management and Community Empowerment
 Project Management and M&E
 Unallocated Contingency

5. Financing

Source (Total (US\$m))

BORROWER/RECIPIENT (\$1.00)

GLOBAL ENVIRONMENT FACILITY (\$5.50)

Total Project Cost: \$11.90

6. Implementation

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.

7. 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.

8. Lessons learned from past operations in the country/sector

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.¹

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.

9. Environment Aspects (including any public consultation)

Issues : 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.

10. List of factual technical documents:

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.