

ANNEX C: RESPONSE TO PROJECT REVIEWS

OECS: Protected Areas and Associated Sustainable Livelihoods Project

STAP – INDEPENDENT TECHNICAL REVIEW AND RESPONSE OF THE PROJECT TEAM

The project team is grateful to the STAP reviewer for comments to strengthen the contents and presentation of this proposal. Below is a description of specific actions taken in response to the STAP comments (answers in italic following the STAP comments).

Project reviewer: Wim Giesen, Senior Environmental Specialist, ARCADIS Euroconsult.

A. GENERAL COMMENTS

The draft Project Brief OECS Protected Areas and Associated Sustainable Livelihoods (OECS-OPAAL) emerged out of the Block B funding awarded to St. Lucia for the preparation of the “St. Lucia Coastal/Wetland Ecosystem Conservation and Sustainable Livelihoods Project”. A draft brief focusing on St. Lucia was produced in May 2002, but following internal Bank review it was decided that the brief should have a regional, OECS-wide focus instead. The advantages are a consistency with sub-regional approaches embodied in the St. George’s Declaration (2001), ease with which co-funding can be mobilized on a sub-regional scale, and gains in efficiency due to economies of scale. A first draft for the regional project was drafted by December 2002 and reviewed by the present STAP reviewer in February 2003. Since then, significant changes have been made to the draft brief, necessitating this second STAP review. Project design has been strengthened, and has been modified since the first draft. The project will potentially have significant national and local benefits, via the development of sustainable alternative/additional livelihoods, and the securing of the natural resource base that supports the very strong tourism industry.

A.i Global priority in the area of biodiversity

The STAP reviewer is convinced that the region is of global significance to biodiversity, but the arguments for this need to be summarized in the Project Brief by the proposal proponent. This was indicated in the first STAP review of February 2003, but has not been addressed in this revised Project Brief. As stated previously, the Project Brief provides only a sketchy overview of why the OECS region is of global significance to biodiversity, with observations such as:

- “relatively high rates of endemism” [need to support this with data]
- “the Caribbean as the fifth ranking <biodiversity> ‘hotspot’ <in the world>” [how does the Eastern Caribbean relate to this? The project does not target the whole Caribbean]
- “the Eastern Caribbean was classified as a unique marine ecoregion” [the project does not exclusively focus on marine habitats – how unique are dryland habitats?]
- “the <marine> systems of this area are recognized as among the most productive in the world”. [productivity and biodiversity are quite different matters]

Response by the project team: *We fully agreed on the need to demonstrate increased visibility and significance of the biodiversity of global importance. We did this through some matrices supported by descriptive text, primarily in Annex 6 “PA Selection Criteria and Site Profile” and by incorporating relevant indicators in the Logframe. Nevertheless, much of the existing data (including information in the PMS National Biodiversity Strategies is outdated (often going back*

to surveys in the 1940s and 50s that continue to be cited over and over again). The project plans to address this problem with baseline data collection and monitoring in each of the PAs that have been costed under Component # 2.

Annex 12 on environmental assessment does not include an assessment of biodiversity values, and the profiles of the three short-listed PAs (in Annex 6) do not adequately address global biodiversity. As mentioned in the first STAP review, the Eastern Caribbean region has a high degree of island endemism, as can be judged from the number of endemic vascular plants found throughout the OECS island states: St. Lucia (14 endemic species), Dominica (12), Antigua and Barbuda (5), Grenada (4), Montserrat and St.Kitts & Nevis (each 2) and Anguilla (1). Similar degrees of endemism are likely in other taxons, and a brief overview should be presented, along with other possible factors that make the region unique to biodiversity, e.g. support of migratory waders, or occurrence of unique habitats.

A.ii Cost-effectiveness in achieving focal area objective(s)

The OECS – OPAAL Project is budgeted at US\$7 million, of which US\$3.48 is to be contributed by the GEF grant. This is a significant amount, but one that is modest compared to the size of the project area and the scope of what is to be achieved in the medium- to long-term. Significantly, the OECS-OPAAL Project leverages a total of more than US\$3.4 million in co-financing – of which US\$1.6 by the PMS and OECS – and in this sense the Project can be regarded as cost effective.

Of the US\$6.9 million total budget, US\$1.3M (19.3%) goes towards Component 1 (Policy, legal and institutional support), US\$3.1M (46.7%) towards Component 2 (PA management and associated livelihoods), US\$0.8M (11.9%) towards Component 3 (Capacity building for conservation and PA management), while the balance – US\$1.4M (20.8%) – goes towards project management, M&E and dissemination of information. This seems a fair balance between the various components, without overly large sums devoted to project management and other less tangible outputs. <Note that the project summary table under C. (p.7) provides an incorrect total of component 4, as the total of sub-components 4.a, 4.b and 4.c is US\$1.6 million and not US\$1.4 million.>

Incremental costs (Section E.1 and Annex 4). Section E.1 should summarize Annex 4, and at least provide a summary of baseline and incremental costs, and a summary incremental costs matrix (see example). At present, *no* figures are provided, which is clearly an oversight.

Example: Summary Incremental Costs Matrix

Components, Outputs, and Activities	Baseline	Alternative	Increment
1. Component 1	US\$XXXXXXXX1	US\$ YYYYYY1	US\$ ZZZ1 <u>Of which:</u>
2. Component 2	US\$XXXXXXXX2	US\$ YYYYYY2	US\$ ZZZ2 <u>Of which:</u>
3. Component 3	US\$XXXXXXXX3	US\$ YYYYYY3	US\$ ZZZ3 <u>Of which:</u>
4. Component 4	US\$XXXXXXXX4	US\$ YYYYYY4	US\$ ZZZ4 <u>Of which:</u>

Response by the project team: An Incremental Cost Table has been added with the figures requested.

A.iii Adequacy of project design

The five-year project duration – perceived as a first phase of a possible 15-year program – is well rationalized and appears sound. The project focuses on three key areas, namely PA policy, institutional & legislation reform, support for PA and associated livelihoods, and capacity building for biodiversity and PA management, along with awareness raising. These mesh together well, and appear to provide a good basis for addressing the issues at hand.

However:

- The Project Brief lacks a clear description of the baseline. There is no section or annex on legislation, and the sections of baseline description that are present are spread under various headings (e.g. B.1, E.3, etc..).

Response by the project team: *A description of baseline has been added to the document and can be found in Annex 6 of the project Brief. As indicated previously, the project also plans to address this problem with baseline data collection and monitoring in each PA that have been costed under component 2.*

- Development of project objectives should be based on sound root cause analysis of the threats, and the proposal is weak in this respect. The constraints listed in the main document are very general, and are not linked to the listed threats. According to the contents of the main document, Annex 6 is cover “Threat Analysis, PA Selection, and Candidate Profiles”, but Annex 6 (as received by the STAP reviewer) covers only “PA Selection Criteria and Site Profiles”, with only a single paragraph and two tables touching upon the issue of threats. Annex 6 provides a “Threat and Root Cause Analysis Matrix”, but the ‘sources’ (of the threats) listed in this table are not the root cause of the key threats. These are listed in a second table titled Constraints Analysis Matrix and listed as underlying cause/constraint. The actual descriptive analysis needs to be expanded in Annex 6, and this needs to be summarized in the Project Brief main document. Threats are described in the main document under “Sector issues”, and underlying causes that need to be addressed according to the proponent are provided in “Key constraints”. However, the latter are all very general – such as inadequate legislation and enforcement, policy gaps, limited human and technical resources, lack of data, and lack of economic opportunities – and the link with the threats needs to be clarified.

Response by the project team: *Root cause. This was addressed through the reworking of the matrices and taking the analysis a bit further. We have attempted to link threats with underlying causative factors. Then identifying key constraints that would have to be addressed to begin to get at the causative factions and finally the threats. Finally, we attempted to show how the project components/activities would address the relevant constraints. This was summarized through a series of matrices in Annex 6. The nature of the approach (and problem of dealing with 6 countries in the Eastern Caribbean) makes this more complex to describe. We would like to point out that there will be baseline studies associated with the alternative livelihood sub-component which will be examining on-site threats and root causes as a basis to identifying relevant alternative livelihood activities which the project could possibly support.*

- The Project Brief needs to make a strong case for global benefits to biodiversity, and at present the arguments provided are not convincing and need to be expanded (see A.i).

Response by the project team: Global benefits (see above response to paragraph A.i).

- Related to this, the global biodiversity significance of the three selected sites is not clearly presented. In Annex 6 on “PA Selection Criteria and Site Profiles” it is evident that the selection criteria (attachment 1 to Annex 6) did not include global biodiversity significant, but simply biodiversity significance. The profile on Pointe Sable, St. Lucia, for example mentions under the heading global significance that the area has the last remaining mangroves on the island, and the longest fringing reef in the region. This may be of national importance does not directly mean that the area is of global significance.

Response by the project team: Global biodiversity at the proposed sites (see above response to paragraph A.i).

A.iv Feasibility of implementation, operation and maintenance.

There are a number of risks outlined in the Project Brief under F.2 – these can also be elucidated from the critical assumptions in Annex 1. Project Design Summary; listed are:

- PMS do not provide the necessary resources through their national budgets to facilitate effective PA management.
- Few or no macro-economic and fiscal policies are in place to stimulate economic opportunities being created in or around the PAs.
- Resource use conflicts within a PA are high.
- Sufficient and suitable capacities are not available at the national level for training, awareness programs and for project management.
- PMS do not continue awareness program beyond life of project.

However, the OECS - OPAAL proposal generally provides ample mechanisms for addressing potential pitfalls, and mitigates their impacts on the project. Not surprisingly, the success of the project will depend to a great degree on the lasting commitment of PMSs. The long-term success of the project will also require identification and securing of adequate funds for continuation of the program. This will depend on continued commitment by all PMSs.

To the aforementioned risks may be added:

- Co-funding is not provided, or not provided in a timely manner.
- PMSs are not committed to establishing the necessary and appropriate institutional framework for biodiversity management in general and PAs in particular.
- Project financing is not available on a timely basis.
- PMSs are not committed to establishing fully functional and affectively managed PAs
- Local communities do not participate fully in the establishment and management of PAs.

Response by the project team: These additional project risks have been added to the document.

B. KEY ISSUES

B. i Scientific and technical soundness of the project

Generally, the project brief is technically and scientifically sound; areas of possible deficiency or where some improvements may be made/clarifications provided, are mentioned below. Minor points of deficiency are mentioned at the end of this review.

Part B on “Strategic Context” should include an analysis of the Legal and Policy Baseline, and the Institutional Baseline – these are standard sections of GEF project briefs. This should summarize a more elaborate analysis, which should form one of the annexes to the Project Brief.

Part B.2, under Key Constraints, lists ‘Inadequate legislation’. A Project Brief should be more precise/specific than stating that related to biodiversity these are ‘obsolete’ and ‘do not provide a comprehensive framework’ – especially as there is no legal analysis in the annexes, and improvement of legal and policy arrangements is one of the three objectives of the Project. Similarly, the policy gaps (in B.2) also should be more specifically identified – one example is provided, of ‘the failure to incorporate environmental and social cost into economic decision-making’ – a more thorough analysis should be included. None of the PMSs are a party to the Convention on Conservation of Migratory Species of Wild Animals (CMS), and only two (Dominica and St. Lucia) are a party to the Ramsar Convention. However, as these legal and policy issues will be addressed early during implementation, the reviewer does not find that this omission should stall the project.

Response by the project team: Legal and policy baseline and constraints. *Much of the comments above on the root cause are relevant here. Given the limitation of project preparation resources and time available, the project has budgeted for national institutional reviews as a precursor step to promoting more coherent frameworks that will address biodiversity conservation under Component 1.*

B.2. under OECS Government Strategies: National Parks and Protected Area System Plans. Three of the PMSs have prepared PAS plans. Steps have been undertaken towards implementation, but it is unclear how many of the 98 PAs identified (and mentioned in Annex 6) have been legally gazetted so far.

Response by the project team: Annex 6 has been updated with the number of 98 PAs gazetted and an additional 9 PAs in the process of being created (see page 2 Annex 6).

C. Project Description Summary

- Component 1. Protected Areas Policy, Legal and Institutional Arrangements. The Project should also strive to significantly increase PMS membership of international conservation treaties and conventions, most notably CMS, the Ramsar Convention, and CITES. Common membership may result in the need for common approaches and further strengthen the need for cooperation.

Response by the project team: C. Component 1. Project facilitation of PMS becoming signatories to international conventions. *We discussed this at some length with the ESDU staff in St. Lucia. They felt that however warranted, this would create a significant additional demand on what is becoming an increasingly ambitious project; one that is to be implemented in 6 countries in a 5 year period. Moreover, the politics and timing of obtaining accession to international legal*

instruments in the Region are such that they did not feel comfortable in committing the institution to the number and timing of outputs that they felt would be very difficult to predict. This does not preclude using the project from promoting the achieving of this end (e.g., through the training sub-component). ESDU just does not commit itself to achieving specified outputs.

- 3 PMSs already have a PA system, and in a 4th PMS this is underway. Outputs under Component 1 should reflect this, and the indicators of achievement should be more nuanced, e.g. “harmonization of the PA systems in the four PMSs where a PA system exists or is well underway, and development of a PA system in the two remaining PMSs.”
- Component 2. Linked with the previous point: if the verifiable indicator of achievement is to be 3 PAs legally constituted and functioning, the Project Brief should clearly identify what the baseline situation is regarding gazetted (i.e. how many are legally gazetted at present). Also, a readily verifiable indicator of achievement should be formulated instead of ‘functioning’. E.g. XX protected areas are to be legally gazetted, be actively managed by an entity with a clear and formalized mandate, and not be subjected to further deterioration due to unsustainable use of natural resources. Similarly, Annex 1 states: ‘At least 3 PAs created and/or strengthened by end of project (total ha)’; this is too loosely defined to be a verifiable indicator of achievement:
- Component 2. A baseline should be established of the current levels of livelihoods, in order to determine present income levels and assess if livelihood programs are having any effect. Simply implementing 3 livelihood programs does not automatically mean that livelihoods are improved, as is suggested in the Logframe (Annex 1). Also, even if a baseline exists so that one can assess any improvement in livelihoods, a verifiable indicator of achievement should be factual, e.g.: stating which % of the local community should achieve an increase in income by Y%.
- Component 3. Building Capacity for Biodiversity Conservation and PA Management. The Logframe (Annex 1) states as an indicator of achievement: “# of participants trained by end of project”; this should at least provide a target number of participants.
- C.3 Benefits and target populations. Globally significant species: should be more specific, and should be listed for the 6 sites under consideration, e.g. globally significant species such as the xxx and the yyy. Several endemic species ... will be protected – these should also be named.

Response by the project team: C. Components 1 – 3 – Indicators. *We have added indicators for both global biodiversity significance as well GEF required indicators as prescribed under the relevant Strategic Program for biodiversity.*

- C. 4 Project management. The Project Brief proposes that the Communications Specialist will work under supervision of the ETA manager of ESDU, and that the Administrative Assistant will work under the supervision of ESDU’s CS manager. This may lead to the unsatisfactory situation whereby project staff have two parallel (and confusing) lines of coordination. It would be better to have a project office housed in ESDU, with both the Communications Specialist and the Administrative Assistant housed there and directly reporting to the Project Coordinator. The Communications Specialist should liaise closely with the ETA manager, but not be supervised by this person.

Response by the project team: C.4 Project management. *Agreed, it has now been discussed, consensus reached, and reflected in the document that all project funded staff would report directly to the project coordinator to avoid confusion and inefficiencies.*

- E. Summary of Project Analysis.
- E.1. Incremental Cost Analysis. An overview/summary ICA matrix should be provided, based on Annex 4.

Response by the project team: This is now provided in the Incremental Cost Analysis (ref. E.1.).

- E.2 Financial. This summary should provide an overview of which part of the requested funding is to be contributed by the various agencies (GEF, OECS Secretariat, OAS, FFEM etc....).

Response by the project team: A detailed breakdown of the financing plan has been provided.

- E.5.1 summarizes potential environmental issues.
- E.5.4. refers to Annex 12, as the Project has been identified as a category B project, and EMP will be required, and is included in Annex 12, following World Bank OP. 4.01 guidelines (for EMPs). The ‘EMP’ included in Annex 12, however, is very brief and may not fully comply with OP 4.01. According to OP.4.01 an EMP is to a) identify the set of responses to potentially adverse impacts; b) determine requirements for ensuring that those responses are made effectively and in a timely manner; and c) describe the means for meeting those requirements. It should therefore identify whom is to implement the various aspects of the EMP, when, and at which cost (where appropriate). In the revised Project Brief, this has been forwarded to the relevant World Bank department for review; if they have no objection, then this hurdle can be regarded as cleared

Response by the project team: E.5.4. EMP. We feel the annex meets the due diligence requirements of the Bank. However, this will be reviewed and cleared within the Bank before appraisal.

B.ii Identification of the global environmental benefits and/or drawbacks of the Project

The potential global environmental benefits of the OECS – OPAAL Project are significant, but this needs further elaboration. Undoubtedly, the protection of key sites in the Eastern Caribbean ensures the survival of a large number of (often unique) species (either migratory or sedentary) and habitats (see A.i, above). There are no foreseeable drawbacks for the global environment, provided that mitigation measures outlined in Annex 12 (EMP) are followed.

Response by the project team: See above response to paragraph A.i..

B.iii How the Project fits within the context of the goals of the GEF, as well as its operational strategies, program priorities, Council guidance and the provisions of the relevant conventions

The OECS – OPAAL is eligible for GEF assistance under OP-2 *Coastal, Marine & Freshwater Ecosystems*, and OP-3 *Forest Ecosystems* of the Convention on Biological Diversity. In line with OP-9 *Integrated Land and Water Multiple Focal Area Program*, the proposed project addresses the needs of small island developing states, recognizing the importance of freshwater basin-coastal zone management as essential for the sustainable future of small islands. All of the six OECS states requesting GEF assistance have signed and/or ratified the CBD: i.e. Antigua & Barbuda, Dominica, Grenada, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines.

B.iv Regional context

The proposed project has been designed in a truly regional context, with the six independent OECS Member States fully participating, and the remaining three (Anguilla, British Virgin Islands, and Montserrat – all British Dependent Territories) indirectly involved via the OECS secretariat. Activities will be carried out throughout the region, with demonstration Protected Area management programs being carried out in all six PMSs. The Project fits in well with the St. George Declaration of Principles for Environmental Sustainability in the OECS, signed by the member states on 10th April 2001. This Declaration set the stage for active regional cooperation, and makes it feasible for implementing the project in a regional context, rather than on an individual state level.

From a regional conservation point of view, the project will contribute to the conservation of migratory species of water bird, and the conservation of wide ranging species such as marine turtles and dugong.

B.v Replicability of the Project

The project has been increased in scale and scope from one focusing entirely on St. Lucia (as was the case in 2000), to a project with a regional/OECS scope. This increase in scale goes hand-in-hand with increased opportunities for replication. Under component 2, PA management will be strengthened or created at at least 3 sites (out of 6 candidate sites in the preliminary selection) – in all likelihood for those three sites for which preparatory work has been completed: Pointe Sable National Park (St. Lucia), Tobago Cays Marine Park (St. Vincent & the Grenadines) and North Sound Islands National Park (Antigua/Barbuda). There are a total of 98 protected areas in the OECS and an additional 9 PAs that are in process of being created, together forming a significant pool of potential target areas. Provided that institutional and policy support provided under component 1, and the PA management capacity created under component 3 are effective, replication will mainly be an issue of financial resources available and allocated.

If successful, the project will have:

1. a supportive policy and legal environment for adequate protection of critical habitats and biodiversity in place;
2. created local capacity for managing protected areas, and local understanding and interest in conservation; and
3. adequately demonstrated that creation of local livelihoods can go hand-in-hand with protection of natural resources, rather than a (gradual) decline of these resources; in short, sustainable livelihoods will have been created and demonstrated.

Under these circumstances, a conducive environment for replication will have been created. On the whole, mechanisms for replication seem appropriate and adequate, and the associated risks are – or can be kept – acceptably low.

B.vi Sustainability of the Project

A number of financial and institutional mechanisms are incorporated in Project design, aimed at promoting sustainability of the Project.

Financial mechanisms

- At the OECS level, the project will address the needs of PAs for reliable and adequate sources of funding, as well as the need to provide funding for sustainable alternative livelihoods associated with the creation and management of these areas. This would involve a regional review and evaluation of the existing mechanisms for financing PAs in PMSs, including the identification and formulation of recommendations with respect to options that are appropriate in the OECS.
- At the national level, the project would support implementation of the aforementioned recommendations, through the following activities: (i) the preparation a Financial Strategy (and related business/marketing action plans) for each approved PA Management Plan; (ii) support for specific financial and marketing studies for the long-term financial sustainability of the livelihood activities; and (iii) support to adapt draft legislation for the establishment of national mechanisms for sustainable financing of PAs.
- Increased visitation to the proposed areas. On-site project-supported investments (e.g., trail maintenance, visitor centers, interpretation facilities and information packets) will contribute to increased visitation levels. Accompanied by fee regularization, concessions and an improved tourist offer, visitation is expected to become a significant source of revenue for selected PAs;

Institutional mechanisms

- Improved institutional strength and capacity, achieved through project-funded training and created infrastructure will greatly improve stability and continuity of biodiversity conservation in the region.
- Institutional and legal reforms, as well as increased capacity due to improvements in information technology and training, will help institutionalize conservation activities and create a constituency within the public sector.
- The improved institutional framework for biodiversity conservation will streamline efforts and bring a new level of continuity, accountability, and order protected area declaration and management.
- Generation of broad constituent support. As indicated in the Project Brief, the existing constituency for conservation is well established throughout the region and has demonstrated considerable commitment to conservation in general, and protected areas in particular, for more than 25 years. This will be further consolidated by the Project.
- Empowering the already involved local populations will greatly assist long-term conservation efforts, consolidate a constituency for conservation efforts, assist in conflict resolution as well as monitoring and evaluation and lower overall management costs.

On the whole, these mechanisms for sustainability should be sufficient to ensure that the achievements of the OECS-PA&ASL Project do not whither after completion of the GEF funded

intervention. Indeed, sufficient mechanisms are in place to ensure that essential components will continue as long as required.

C. SECONDARY ISSUES

C.1 Linkages to other focal areas

The OESC – OPAAL project is consistent with the provisions of the Convention on Biological Diversity (CBD) and with the GEF Operational Strategy, and specifically with its Operational Programs (OP) for Coastal, Marine and Freshwater Ecosystems (OP 2), and Forest Ecosystems (OP 3) in the Biodiversity Focal Area. In addressing the needs of Small Island Developing States (SIDS), the project is also consistent with the Integrated Land and Water Multiple Focal Area Program (OP 9), which recognizes the importance of integrated freshwater basin-coastal zone management as essential for the sustainable future of small islands. Depending on the final selection of PAs, the project could address all six major issues identified in OP 9 facing SIDS. These are: (i) coastal area biodiversity management; (ii) sustainable management of regional fish stocks; (iii) rational tourism development; (iv) protection of water supplies; (v) management of land and marine based sources of pollution; and (vi) vulnerability to climate change.

Of the other main focal areas (mitigation of greenhouse gas emission/climate change, international waters, ozone depletion, POPs), the Project is weakly linked to:

Climate change

- in a positive way, by slowing/preventing habitat conversion and maintaining plant biomass (carbon sequestration in natural vegetation), and
- in a slightly negative way, by means of methane emissions from (protected) wetlands.

International waters

- in a positive way, as these coastal wetland areas are (regionally) linked via the migration of waterbirds (and some areas also by migration of marine turtles).

C.ii Linkages to other programs and action plans at regional or sub-regional level

The OECS – OPAAL Project is well linked with the *St. George Declaration of Principles for Environmental Sustainability in the OECS*, signed by the member states on 10th April 2001. This St. George's Declaration set the stage for active regional cooperation in the field of sustainable management of the environment, and makes it feasible for implementing the project in a regional context, rather than on an individual state level.

The Project will build upon the OECS Environmental Management Strategy, which was completed in March 2002, and endorsed by the OECS EPC in July 2002. This strategy paves the way for institutional reform required for effective PA management.

In addition, the Project is linked to, or takes on board [where they have been formulated in the 6 PMSs]:

- National Environmental Profiles,
- National Wetland Policies,
- National Biodiversity Strategy Action Plans,
- National Environmental Action Plans
- National Parks and Protected Areas System Plans [3 of which have been prepared]

C.iii Other beneficial or damaging environmental effects

Implementation of the Protected Areas and Associated Sustainable Livelihoods project will serve to strengthen the *St. George Declaration of Principles for Environmental Sustainability in the OECS*, which was only recently signed (10th April 2001). Practical actions implemented jointly in the region and contributing to environmental sustainability may strengthen the resolve to use the St. George Declaration as a vehicle for positive change. Similarly, the project will also have a positive effect on the implementation of NBSAPs, NEAPs and National Wetland Action Plans (where they have been drafted), and the drafting of such policy instruments (where required).

The Project will primarily have (overwhelmingly) beneficial environmental affects, but one area where environmental damage may be inflicted is in the investment in sustainable livelihoods creation. Where the latter are (directly) based on extraction of natural resources (e.g. fish or shellfish), or other forms of intensive use (e.g. reef visitation by tourists), guidelines need to be established at a very early stage (e.g. in the inception phase of the project, or when alternative livelihoods are still being identified/formulated) to prevent unsustainable resource use. This approach is addressed in, and endorsed by the EMP (contained in Annex 12).

C.iv Degree of involvement of stakeholders in the Project

The original project proposal developed by the St. Lucia National Trust (in May 2002) focused only on St. Lucia and was developed through a series of consultations over three years involving local and national St. Lucian stakeholders. After the project was transformed into a regional project, a regional workshop was held in November 2002. At the latter, a comprehensive matrix of critical stakeholders representing local, national and regional protected area interests was developed which served to guide subsequent consultations. These were held via a series of workshops, meetings, consultations and field visits carried out from November 2002 through October 2003.

The project is largely stakeholder driven, and a large degree of stakeholder involvement is therefore anticipated. This is especially the case on Component 2 Protected Areas Management and Associated Alternative and New Livelihoods, which accounts for almost 47 % of the total budget. The approaches to be used by OECS – OPAAL include stakeholder analysis and social assessments to be carried out to prepare new PA sites to be developed under the project; participatory development of local action plans for each PA to help determine local priorities for activities that might be eligible for financing under the project that could include among others, opportunities for support for alternative livelihood subprojects, technical assistance, training opportunities and involvement in PA co-management plans.

C.v Capacity building aspects

The proponents of the OECS – OPAAL Project recognize that capacity building is central to its success, and have dealt with this accordingly in project design. Capacity building is a major part of Components 2, whereby training is provided: i) to achieve on-the-ground effective management of protected areas, and ii) where this is required for achieving sustainable livelihoods (e.g. vocational training). Components 1 and 3 consists entirely of several capacity building programs aimed at achieving policy, legislative and institutional reform, and incorporating education, awareness and training programs.

Component 2 on Protected Areas Management and Associated Alternative and New Livelihoods development is essentially a capacity building program, that has various forms of training at its core, including training for specific (PA) on-site needs, training in sustainable financial household management for sustainable livelihood beneficiaries, and alternative livelihoods training. In addition, the development of management plans, assistance with site inventories, demarcation and mapping of the PAs, and the establishment of biodiversity baselines also constitute capacity building as these will be carried out together with beneficiaries.

Component 3 on “Building Capacity for Biodiversity Conservation and PA Management and Increasing Environmental Awareness” is entirely focused on capacity building, both within administrations and PA staff, and among local communities. Activities under Component 3 include i) completion of a national and regional training needs assessment; (ii) the design and implementation of regional and national training program(s) in protected area management and sustainable livelihoods; and (iii) the design and implementation of national public awareness strategies and country-specific action plans.

C.vi Innovativeness of the Project

In the East Caribbean region, the project is highly innovative by being the first one aimed at creating a standardized and vastly improved approach to biodiversity conservation and protected area management. The Project is therefore highly strategic, building upon the recently signed (10th April 2001) St. George Declaration on the sustainable environment. It is important that practical actions and activities such as envisaged under the OECS – OPAAL project are implemented soon, so that the process of positive change does not lose momentum.

D. Minor changes suggested for improvement of the OECS – OPAAL proposal

- Many sections are still marked TBD and have yet to be finalized.
- B.2 NEAPs. (p.5). How many PMSs have produced a NEAP?
- B.2 National Parks and Protected Area System Plans. Mention that there are a total of 98 protected areas in the OECS and an additional 9 PAs that are in process of being created
- B.2 The existence of an OECS Solid and Ship Generated Waste Management Project is likely to mean that at least some of the marine pollution and damage to coastal ecosystems is related to shipping (e.g. oil spills etc..). These are not listed anywhere.
- C.1 still states “Garry to work on”.
- Figure 1. NIE in box should read NICE
- D.1 Costal = Coastal (in title: Integrating Watersheds and *Coastal* Area Management Project)
- D.2 states “Garry to send”.

Response by the project team: *Minor changes. Addressed (except for sections to be determined that are for internal Bank processing) and are not required to be submitted to GEF at this stage of Work Program Submission.*

Ulft, the Netherlands,
14th December 2003

RESPONSE GEFSEC'S COMMENTS BY THE WORLD BANK PROJECT TEAM

The Executive Summary and new Project Brief responds fully to the points raised in the Secretariat Concept Agreement Review Sheets (Pipeline Entry for the original St. Lucia-only proposal and supplemental PDF-B approval for the scale-up sub-regional project). The project documents have been revised to **improve presentation of the issues of biodiversity of global significance, incremental cost reasoning, financial sustainability of the protected areas to be supported, public consultations and involvement, replicability and all other GEF review criteria for Work Program inclusion as summarized below.**

The need to demonstrate increased visibility and significance of the biodiversity of global importance was addressed through some matrices supported by descriptive text, primarily in Annex 6 to the project brief and by incorporating relevant indicators in the logframe. Nevertheless, it is important to note that much of the existing data (including information in the OECS participating member states' National Biodiversity Strategies is outdated (often going back to surveys in the 1940s and 50s that continue to be cited over and over again). Furthermore, the project design plans to address this problem with baseline data collection and monitoring in each of the protected areas (PAs) that have been costed under component 2 of the project.

With respect to the issue of financial sustainability, this has been addressed through: (i) provision of support for a study to identify PA financing mechanisms relevant to the OECS region, (ii) inclusion of project supported PA financial plans as part of PA management plan preparation, (iii) flexibility built into project design to support the development of new funding sources at the site level, and (iv) revenues generated through increased visitation rates.

The issue of replicability, is addressed at three levels: (i) at the national and subregional level, the lessons learned and the knowledge created can be used in successive PA projects and in addition, afford opportunities for the mainstreaming of environmental management into economic development of SIDS; (ii) at the subregional level, the project can be replicated and bring useful lessons to others SIDS which face similar constraints and threats; and (iii) at the local level other communities and stakeholders may use the demonstration sites as prototypes leading to new and improved relations between communities and their surrounding ecosystems. Replication will be facilitated through the project's information dissemination sub-component with the purpose of sharing "lessons learned" among project beneficiaries and with people involved in the management of other protected areas of the OECS countries (through workshops, conferences, publications and a homepage), and beyond.

Good practice and GEF's public involvement policies have been followed and fully integrated into the project design. Public consultation has been extensive throughout the project preparation process. The original project proposal developed by the St. Lucia National Trust (May 2002) focused only on St. Lucia and was developed through a series of consultations over three years involving local and national St. Lucian stakeholders. In October 2002, the project was reformulated to become a regional project and it was considered vital that the regionalized project required a similar consultative process to collectively determine the objectives, elements and outputs, to secure broader buy-in and ownership, and to obtain important baseline information to help define project components. As a result, a series of workshops, meetings, consultations and field visits was carried out from November 2002 through October 2003 to discuss all aspects of the project with stakeholders (including environmental and social assessments of the project). These consultations contributed to the current design of the project as

well as the selection of the first three target PAs, and to raise awareness among stakeholders of the multiplicity of issues surrounding areas of critical biodiversity on the islands.

Cofinancing has been confirmed with OAS (US\$0.35 million with prospect for possible increased participation during implementation) and is at advanced stage of confirmation with the French FFEM (a FFEM appraisal mission of the French funding part (about Euro 1.5 million) of the project is schedule for January 19-23, 2004 for presentation to the FFEM Board by March 2004). Counterpart financing from the OECS and PMS (now estimated at around US\$0.4 million and US\$1.2 million respectively) will be confirmed at appraisal/negotiation. While no Bank loans or credits are contemplated in relation to this proposal, the sub-regional OECS Protected Areas Project (OPAAL) project in its current and enhanced design is a direct result of the ongoing and active Bank policy dialogue with the OECS region (in accordance with the CAS) on the critical issue of sustainable management of the region's environment and natural resource base that is so vital for its tourism-dependant economy and development.

The project is in conformity with GEF Strategic Priorities for Biodiversity, specifically: (i) Catalyzing Sustainability of Protected Areas; (ii) Mainstreaming Biodiversity in Production Landscapes and Sectors; and (iii) Generation and Dissemination of Best Practices for Addressing Current and Emerging Biodiversity Issues. Finally, **letters of endorsement** have been received from all 6 participating member states (see attachment to the Project Brief).