1. Key development issues and rationale for Bank involvement

Namibia has a medium term vision to transform itself from a developing lower-middle income country to an industrially-developed high-income country by the year 2030. Vision 2030 is supported by five-year National Development Plans that serve as the major policy tool across all sectors (NDP II for 2001-2006 and NDP III for 2007-2002)\(^1\).

In order to meet the targets of Vision 2030, there is strong political demand to further develop the economic potential of the Namibian coast. The main sources for economic development on the coast are a rapidly growing international tourism industry and expansion of long-established industries such as mining, in particular extraction and processing of diamonds, commercial fisheries, mariculture, fish processing for export, and oil and gas exploration. The fastest growing sector in Namibia is the tourism industry, which is also expected to have multiplier effects in terms of employment creation, greater contribution to total economic activity, rural development and poverty reduction. Farming or other agricultural activity is precluded as a livelihood option due to the hyper-arid ecosystem of the coastal desert.

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\(^1\) There is no CAS available for Namibia. A CEM is under preparation.
The Government of Namibia (GRN) recognizes that some of the biggest challenges to overcome for achieving the targets of Vision 2030 are capacity building at all levels and reduction of development inequalities between different regions. Significant effort needs to be placed into transfer of skills and institutional strengthening to expedite decentralization efforts and achieve the intended transfer of powers to Regional Councils and Local Authorities.

The coast supports a multiplicity of human activities that interconnect with the biophysical, environmental, economic and social considerations. The present lack of a joint vision for the coast precludes an integrated management approach to achieve a balance between sustainable coastal development and shared responsibility to maintain health, biodiversity and productivity of coastal ecosystems, and the services they provide. It is thus critically important for central government, local government, and rural communities to develop a joint vision for the coast and to engage in joint planning for decentralized management of natural resources in order to limit and prevent irreversible environmental impact from growing consumptive industries, increasing tourism, urbanization\(^2\), and infrastructure development.

The threats of unsustainable development to coastal ecosystem integrity\(^3\) are amplified by the unusual characteristics of the Namib coast. The desert ecosystem is extremely vulnerable due to low resilience and with the exception of a few coastal municipalities\(^4\), large areas of the coast been almost undisturbed from any human impact as a result of restricted land use\(^5\) and limited accessibility in large extends of the coast.

The proposed NACOMA project will contribute to objectives of NDP II including cross cutting issues such as reducing regional inequalities, and most importantly, environmental sustainability\(^6\). It will support efforts under NDP II to accelerate the slow decentralization process by developing institutional capacities of regional government as well as key national level players for decentralized planning and integrated cross-sectoral coastal management in the four coastal regions Kunene, Erongo, Hardap, and Karas. The project will directly contribute to implementation of the ten-year strategic National Biodiversity Strategy and Action Plan (NBSAP) of 2002 and enforcement of the Environmental Management Act. The project is consistent with the GEF’s Biodiversity Strategic Priority II ‘Mainstreaming Biodiversity in Production Landscapes and Sectors’ by building an enabling environment to strengthen biodiversity conservation and sustainable use at the landscape level based on a joint national vision for the coast.

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\(^2\) As an example, some coastal regions with rapidly growing towns are expected to double in population over the next 20 years. Source: Mendelson, et al., 2003, Atlas of Namibia

\(^3\) Indicators for ecosystem degradation on the Namibian coast include habitat loss and degradation, lowering of groundwater-table, high silt burdens in flooding ephemeral rivers, and marine and coastal pollution.

\(^4\) The five coastal municipalities Orangemund (10,000), Luderitz (16,000), Walvis Bay (45,000), Swakopmund (28,000), and Henties Bay (4,000) together host most of the total coastal population of approximately 110,000 (6% of total population).

\(^5\) In the past, land use and access have been restricted as almost the entire coast is protected for either conservation purposes or mining concession areas. However, restrictions on land use are currently changing with the opening of the Sperrgebiet, a large diamond concession area extending from the South African boarder up to the Namib-Naukluft Park. The conservation status of the coastal protected areas is under pressure from increased tourism and development plans (including large scale infrastructure projects).

\(^6\) Environment and sustainable development issues are fully incorporated in NDP II as both, sectoral and cross-cutting themes. Article 95 of the Constitution further requires the Namibian Government to take measures ‘to promote and maintain welfare of the people, including measures aimed at ‘the maintenance of ecosystems, essential ecological processes and biological diversity of Namibia and utilization of living natural resources.’
The proposed project builds an important block in the ongoing Environmental Dialogue between the Government of Namibia and the Bank, the latter which emerged from the CDF Workshop of 2002. On request of the four coastal Regions, and fully supported by the Ministry of Regional Local Government and Housing (MRLGH) and the Ministry of Environment and Tourism (MET), the Bank is providing project preparation funding. The project concept has been developed based on several workshops with key project stakeholders. It builds on valuable lessons learned from the earlier Integrated coastal zone management project in the Erongo region supported by DANCED which identified the slow decentralization progress and the resulting shortage of qualified staff for environmental planning in the Regional Council as a key barrier for achieving project objectives.

The NACOMA project is conceptually closely linked with other ongoing and upcoming operations in Namibia and the sub-region, namely the Sub-National Government Project, the Integrated Community-Based Ecosystem Management (ICEMA) project, and the Promoting Environmental Sustainability through Improved Land Use Planning (PESILUP) project, all implemented through the Bank, as well as the regional Benguella Current Large Marine Ecosystem (BCLME) Programme and the National Parks project, both implemented through UNDP. Close coordination between UNDP and WB enables coherent ecosystem management on the larger eco-regional scale, specifically from the high sea to the Namib coast to interior communal lands.

2. Proposed objective(s)

The project development objective is: to support sustainable coastal zone management by building institutional and technical capacity of regional councils and by supporting targeted investments for biodiversity conservation in critical ecosystems.

The project global objective is: to maintain and improve key coastal ecosystem processes and to effectively conserve biodiversity in target areas for intervention.\(^7\)

As a result of the project, barriers for mainstreaming biodiversity in coastal management and development planning will be removed and a strategic approach to address root causes of biodiversity loss and coastal degradation will be in place so that the environmental and economic potential of the coast will be sustained and coastal biodiversity conserved. The project will develop and strengthen a policy and legal framework for sustainable coastal zone management and promote integration with related regional development planning initiatives. The project will further make a direct impact on institutional capacity and availability of skills available for environmental management, biodiversity conservation and sustainable use in Regional Councils. Consequently, Regional Councils will be enabled to play a stronger role in regional decision making in key sectors as well as sector dialogue with key stakeholders, including private sector and communities, on the coast.

\(^7\) The global objective builds directly on Strategic Objective 6 of the NBSAP, which is to ‘Strengthen the implementation of Constitution of Namibia (Article 95L) by adopting measures to improve the protection of coastal and marine ecosystems, biological diversity and essential ecological processes, and to improve knowledge, awareness, and the sustainability of resource use.'
3. Preliminary description

The project is expected to generate local, national and global environmental benefits inline with its project development and global objective through three components:

Component 1: Policy and Planning Framework for Sustainable Ecosystem Management of the Namib Coast and targeted capacity building. Based on a participatory process engaging a broad range of local, regional, and national level stakeholders, the project will support development of a collaborative national vision for the coastal zone of Namibia as a basis for the preparation of a national coastal zone policy. The main output of this component would be a White Paper Policy Document on Development and Management of the Namib Coast and corresponding Action Plan. In addition, an update of legislation related to coastal management and development would be facilitated and preparation of a comprehensive Coastal Zone Act, which draws currently fragmented relevant acts and regulations together, could be initiated. In order to successfully translate the coastal vision and policy into collaborative action across sectors at regional level, the project will support the Regional Councils with planning, regulating, and monitoring activities in Namibia’s coastal zone with a view to mainstreaming biodiversity conservation into regional development planning and management. This would specifically include: (i) coastal spatial planning and zoning (as to determine preferred locations for strict biodiversity conservation, for limited access and controlled use of biodiversity and the natural resource base, for sustainable low to medium-impact use, such as recreational purposes, and for sustainable economic development), and (ii) coastal development assessment and regulation (as to promote and restrict the various human impact according to defined coastal zoning). Taking into account the ongoing devolution and decentralization process from central to regional and local level, the project would support national and regional governments (a) to clearly define roles and responsibilities of national, regional, and local institutions with view biodiversity conservation and management (i.e. roles of central line-ministry offices, regional line-ministry offices, Regional Councils), and (b) define the level of institutional strengthening and capacity building (i.e. for zoning techniques and GIS) needed at various institutional levels. Targeted institutional support would be provided to the four Regional Councils and other line Ministries as represented in the Integrated Coastal Zone Management Committee (ICZMC) endorsed to co-ordinate and facilitate the process\(^8\). The project will further support especially MET but also the Regional Councils with developing, adapting, monitoring and evaluating key ecosystem indicators to determine ecosystem processes and trends and to develop a tool to guide integrated coastal planning and management.

Component 2: Targeted Investments for Biodiversity Conservation and Sustainable Use in Critical Ecosystems. The project will provide targeted investments for implementation of projects and activities in regional and local development and land use plans. Investments will focus particularly on proposed and emerging projects and activities for conservation and sustainable of biodiversity in hotspots in each region.

Component 3: Project Management and Performance Monitoring. The project will provide capacity building and infrastructure support for the ICZMC’s Secretariat housed in one of the

\(^8\) The Integrated Coastal Zone Management Committee (ICZMC) and its Secretariat will facilitate and coordinate the policy and planning process. The ICZMC is representing the four Regional Councils of the coastal regions of Namibia as well as the Ministry of Environment and Tourism, the Ministry of Regional Local Government and Housing, the Ministry of Fisheries and Marine Resources, and the Ministry of Mines and Energy. The ICZMC’s Secretariat is currently located in the Erongo Regional Council.
Regional Councils and also serving as the project management unit (PMU). The PMU will also be responsible for performance monitoring, evaluation of project progress, and M&E reporting.

4. Safeguard policies that might apply
The Safeguard Policy OP/BP 4.01 ‘Environmental Assessment’ applies to this project. The project may have minimal, site-specific, easy to mitigate environmental impact that is technically and institutionally manageable. In fact, the project is aimed to have an overall positive impact on the environment by building capacity for environmental planning, by raising environmental awareness with regard to coastal biodiversity, and by enabling strategic zoning for development activities as per regional development plans. Minimal environmental impact as a result of this project may be caused by some on-the-ground investments financed through micro-projects (Component 2). These micro-investments have not yet been identified, but would need to support the above project objectives in order to be eligible for funding. None of these micro-projects would include major works or other constructions with relevant environmental impact. The most sensible approach to be taken would be to apply Namibia’s Environmental Impact Assessment (EIA) policy as per emerging Environmental Management Bill to this project.

5. Tentative financing
Source: ($m.)
BORROWER/RECIPIENT 2.8
GLOBAL ENVIRONMENT FACILITY 4.8
DENMARK: DANISH INTL. DEV. ASSISTANCE (DANIDA) 0.8
EC: EUROPEAN COMMISION 6.0
LOCAL GOVTS. (PROV., DISTRICT, CITY) OF BORROWING COUNTRY 1.2
Total 15.6

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