Report No. PID11491

Project Name: GUINEA-BISSAU-Coastal and Biodiversity Management Project

Region: Africa Regional Office

Sector: General agriculture; fishing and forestry sector (100%)

Project ID: P049513

Borrower(s): GOV. OF GUINEA-BISSAU

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Environment Category: A

Date PID Prepared: October 17, 2002

Auth Appr/Negs Date: August 15, 2003

Bank Approval Date: January 15, 2004

1. Country and Sector Background
Guinea Bissau is one of the world’s poorest countries. Its development index is amongst the lowest, with over 50% of the population living below the poverty line, a life expectancy at birth of 43 years, and a high level of inequality of income distribution. The country’s estimated population in 2001 was approximately 1.3 million, with a growth rate of 2.23%. Guinea Bissau’s current and future economy is highly dependent on its natural resources. The sale of cashew nuts and fisheries licenses are currently the country’s two largest income earners (representing approximately 87% of the country’s export earnings), but exploitation of non-renewable resources, particularly bauxite, phosphate and petroleum, is touted by Government as a key potential element for future economic growth.

Root causes of biodiversity loss
With approximately 80% of the population currently residing in the coastal zone where most economic activity is concentrated, pressure on coastal and marine resources is increasing. The root cause of biodiversity loss is poverty, and the ensuing lack of economic alternatives. Natural resources currently form the foundation of the livelihood strategies for the majority of the population, for whom few alternatives exist. Furthermore, high poverty and low awareness of the necessity of ecosystem health for the provision of environmental goods and services provide little incentive for sustainable management of the coastal biodiversity capital. Subsistence livelihoods have led to deforestation and soil degradation, which have historically been seen as the basic environmental problems confronting Guinea Bissau. Within the coastal zone more specifically, the major threats to ecosystem function and habitat quality have resulted from subsistence activities such as itinerant agriculture, rice production, artisanal fishing and the extraction of fuelwood from forests and mangroves for the production of charcoal and the smoking of fish. The
lack of appropriate management of coastal and marine natural resources as well as the depletion of key species within fragile ecosystems could cause severe biodiversity loss.

Potential threats to biodiversity
The coastal zone also houses resources identified as potential motors of future economic growth, namely fisheries and offshore petroleum. Guinea Bissau’s capacity to manage these resources sustainably is very weak. For example, fisheries are at present mainly exploited by foreign vessels through negotiated fishing licenses or by migrants from Senegal and Guinea. The fishing licenses do not set quotas, but rather rely on the payment of fees proportionate to captures, even though fish stocks are insufficiently known. Guinea Bissau does not have the capacity to monitor the impact of fishing on stocks, to control fishing licenses, or to collect fishing fees. Ultimately, intense industrial fishing of key species such as shrimps could change the ecological balance of coastal ecosystems and threaten their integrity. Much of the fish caught by artisanal fishermen is landed in Guinea or in Senegal, making monitoring very difficult. Furthermore, global markets for high-priced foods, such as shark fins, have led to intense overexploitation and a rapid collapse of source stocks.

The potential for petroleum production in Guinea-Bissau and Southern Senegal was first recognized in the 80s. The newly elected Government in early 2000 rekindled international interest. Petroguin, Guinea-Bissau parastatal oil company, then retained the services of First Exchange Corporation (FE) of Houston, Texas, to promote and oversee oil development. Early estimates suggest a potential of 500 million-3 billion barrels, split between Guinea-Bissau’s shared economic zone with Senegal and its exclusive economic zone. The area currently opened to exploration comprises Guinea Bissau’s entire coast, including the Bolama-Bijagos Archipelago. Production will go ahead if commercially viable oil fields are found. Offshore oil production could have huge environmental and social impacts, unless necessary safeguards are developed and implemented.

Constraints to biodiversity conservation
The risk of significant biodiversity losses in the face of these mounting pressures is exacerbated by the weak national capacity to address threats to coastal and marine habitats. The institutional and legal framework is inadequate, human resources are lacking, access to information is poor, communication infrastructure is weak and limits coordination between the relevant actors, and there is a virtual absence of biodiversity monitoring programs. Most disturbing are i) the absence of a process to address the environmental and social risks of development activities, and ii) the inclusion of the Department of Environment in the same ministry that hosts the national petroleum development parastatal, Petroguin.

In the face of multiple competing and urgent needs, Guinea Bissau cannot allocate the resources required for the management of biodiversity of global importance. Although a network of protected areas has been established, protection on the ground is not effective. Insufficient long-term funding from Government for protected areas and biodiversity management is further exacerbated by the impending closure of externally supported project-based initiatives. A narrow window of opportunity exists to put these activities on a sustainable footing and to build on hard won advances.

National policy and institutional framework to address issues and constraints
Despite the severe constraints it faces, the GOGB recognizes the
importance of maintaining the quality of the environment and of the natural resource base. The national development program for 2001-2010 clearly acknowledges the critical role natural resources have to play in overall economic development as well as in poverty alleviation. The four objectives of the program: i) economic growth and poverty alleviation, ii) provision of basic social and economic infrastructure, iii) demobilization and reinsertion of soldiers (consolidation of peace and national reconciliation) and iv) good governance. Priority is given to stimulation of sustainable economic growth based on diversified rural development and the rational exploitation of agricultural, forestry and fishery resources to alleviate poverty.

With respect to natural resources and the environment, the development program outlines four principal objectives: i) improving access to potable water; ii) improving the understanding of the potential represented by the country’s non-renewable resources; iii) capacity building vis-à-vis technologies that increase the value of local resources; and iv) ensuring sustainable exploitation of the resource base combined with judicious protection of the environment. The strategy for achieving the last objective includes the elaboration of a national policy and plan for environmental management, the management of parks and other protected areas and the elaboration and implementation of a biodiversity management program in the coastal areas.

The above objectives and strategies are reinforced by four initiatives:

1) The assessment of environmental issues "Towards a strategic agenda for environmental management" prepared with the support of the World Bank in 1993, which identified the management of protected areas as a priority to counter loss of offshore fisheries and biodiversity.

2) Environmental Action Plan (NEAP). The Department of Environment is preparing the NEAP, with the support of UNDP/UNSO. Its objective is to provide Guinea Bissau with planning and management instruments for its natural resources. Areas of concern include salinization of rice paddies, deforestation, bush fires and wildlife depletion, overfishing, destruction of mangroves and loss of biodiversity along the coast.

3) National Biodiversity Strategy and Action Plan (NBSAP). The Department of Environment is preparing the NBSAP, with the support of UNDP/GEF. The NBSAP is a participatory initiative to help Guinea Bissau assess biological biodiversity, identify threats, and suggest options and measures to ensure the conservation, ecologically sustainable utilization and equitable sharing of biodiversity.

4) Clearing House Mechanism. The General Directorate for Environment is establishing the Clearing House Mechanism in cooperation with the Convention on Biological Diversity for Guinea-Bissau, with the support of UNDP/GEF. The GEF Council has approved funding in April 2001 to set up biodiversity information systems and for support for hardware, software and training.

Starting in 1988, the GOGB has been implementing activities in the coastal zone. IUCN has been a key partner since the beginning, with the financial support of the Government of Switzerland. The European Union, France, Portugal, Canada and the Netherlands have each provided additional support. The activities that they funded have mainly focused on the coastal area, but sometimes their scope was national. Most remarkably, coastal planning activities have stimulated the growth of local NGOs, which have in return strongly supported these activities. The main achievements include:

Enactment of a framework law on protected areas in 1997, which provides for the devolution of management responsibilities for protected areas to the community level, to create ownership and to initiate "sustainable development poles".

Establishment of a protected area network, including the João Vieira and Poilão National Park, the Orango National Park, the Cacheu Mangrove Natural Park, and the Cufada Lagoon Natural Park. Studies have been completed for the conversion of the Cantanhez game reserve into a protected area.

Establishment of a Protected Area Nucleus (NAP), which manages the Orango, João Vieira and Cacheu parks, as well as the Bolama Bijagos Biosphere Reserve.

Creation of a Coastal Planning Unit, which has catalyzed numerous geographic as well as biodiversity inventory and monitoring studies.

Support to sustainable development and poverty alleviation, through the funding of micro-projects focusing on fisheries, food security and forestry, in partnership with national NGOs.

Environmental education and awareness raising, targeting national decision-makers, technicians, as well as school children and local communities.

More recently, during the Bubaque+10 meeting in March 2001, the Government publicly announced its intention to establish an official entity to manage protected areas and wildlife, thus filling a critical institutional gap.

2. Objectives

The development objective of the proposed Coastal Biodiversity Management Program is to promote the rational management of Guinea Bissau’s coastal biodiversity for both conservation and sustainable use for development, with a particular emphasis on local communities. This is in line with national development priorities, which focus on the reduction of poverty and the development of the social sector.

The program’s global objective is to strengthen the conservation of globally significant habitats and species under national jurisdiction. The program will build on results from earlier environmental initiatives and on an existing network of protected areas along the coastline of Guinea-Bissau, and will contribute to poverty reduction in rural coastal areas by providing livelihood strategies through participatory sustainable management schemes for natural resource use.

The global and development objectives are sought via the following operational outputs: 1) improved sustainability and coherence of the organizational, policy and financial framework for managing coastal ecosystems and sustainable use of related natural resources, 2) effective management of protected areas, 3) development of community-based biodiversity conservation and sustainable use, 4) improved management of the coastal fisheries sector, to reduce pressure on the fragile ecosystem balance, 5) implementation of environmental impact assessment legislation and its application to activities in the coastal zone.

3. Rationale for Bank’s Involvement

The program fits solidly within the GEF Operational Program on Coastal and Marine Ecosystems, a priority area for the first, second and third Conference of the Parties to the Convention on Biological Diversity. The Bank, as a GEF implementing agency, can therefore bring incremental grant resources to assist Guinea Bissau in tackling coastal and marine biodiversity issues of global environmental concern. This will include
ecosystem protection as well as increasing capacity for sustaining this protection over time. Without these incremental resources many of the proposed program activities would likely go unfunded in the face of the numerous competing demands on the country’s extremely limited budgetary resources and the current financially constrained donor environment. The Bank can also add value through providing technical assistance for designing and implementing coastal and biodiversity projects that draw on the worldwide experience gained through management of its growing portfolio. The Bank has considerable experience to offer in institution and capacity building, be it for coastal management or environmental and social protection mechanisms, and its environmental safeguards are recognized as setting international standards. In addition, the Bank has recognized the value of trusts as an instrument for providing long-term support to biodiversity conservation and has been a leader in supporting their establishment in Africa and elsewhere. Through this, the Bank has gained experience that will enable it to provide valuable technical support for preparing and implementing a trust, as well as supervision capacity. The Bank’s increasing experience in facilitating programmatic multi-donor approaches leaves it well placed to leverage additional funds from other donors and the private sector.

4. Description
The program comprises six components.
I. Sustainable Institutional Framework (estimated costs: US$1.3 million). This component will focus on the establishment of an institutional framework that ensures the coordinated, priority-driven management of protected areas and biodiversity, over the long term. The proposed framework includes: i) an administratively and financially autonomous Institute for Biodiversity and Protected Area Management (IBAP), which would be mandated by Government to implement national policies and strategies for the management of biodiversity and protected areas; and ii) a sustainable financing mechanism, the Foundation, to support in perpetuity IBAP’s operation and activities, including the management of protected areas and biodiversity conservation in Guinea Bissau.

II. Biodiversity and Protected Areas Management (estimated costs: US$2.5 million). This component will focus on strengthening the capacity for and improving the conservation of biodiversity, both nationally and regionally. Interventions will concentrate on institutional strengthening and on the management of the four existing and the proposed Mata de Cantanhez Park, as well as on the conservation of key globally and regionally threatened fauna (including species of marine turtles, sharks, migratory birds and colobus monkeys as well as the African manatee, sea-going hippopotamus, and chimpanzee).

III. Sustainable Community Development (estimated costs: US$1.5 million). This component aims to promote conservation and sustainable use of biological resources at the local level. Priority will be given to activities that at the same time help reduce poverty and empower poorer communities. Activities will be concentrated on communities located in or around protected areas or within the Biosphere Reserve; these areas will thus serve as development poles.

IV. Improved Fisheries Conservation and Development (estimated costs:}
US$2.0 millions). Management of the fisheries sector is central to the question of biodiversity conservation and sustainable development in the coastal zone of Guinea Bissau and her regional neighbors. Consequently, the proposed Program will tackle fishery issues that directly have an impact on coastal biodiversity management. This component will concentrate its support on increasing the protection of the more sensitive breeding and nursery grounds that underpin the fisheries ecosystem as a whole. It will develop and test a new concept and practice for the conservation of fisheries’ resources in Guinea Bissau, namely the introduction of Fishing Reserves, i.e., fishing zones governed by special regulations. During this pilot phase, program interventions will focus on protected areas and their zones of influence.

V. Environmental and Social Safeguards (estimated costs: US$0.7 million). This component aims to strengthen the broad legal framework for environmental management by financing the establishment of an environmental impact assessment process, to ensure that environmental and social safeguards are integrated into development activities. It will thus support the development, adoption, dissemination and implementation of environmental impact assessment (EIA) legislation, regulations and procedures, and capacity building for EIA review and monitoring of compliance.

VI. Management, Monitoring and Evaluation (estimated costs: US$1.0 million). This component will support the coordination and management structures underpinning program implementation. It will thus finance: i) the establishment and operation of a small Program Management Unit (PMU); ii) the operation of the multi-institutional structures necessary to ensure coordination amongst various implementing agencies and vertical integration of program activities within sectoral programs (e.g., national steering and consultative committees); and iii) the development and implementation of a monitoring and evaluation mechanism for the overall program, including a consultancy to undertake periodic independent evaluations of program impact (including beginning, mid and end term beneficiary assessments).

5. Financing
   Total ( US$m)
   BORROWER $0.50
   IBRD
   IDA $2.00
   EC: EUROPEAN COMMISSION $1.00
   GLOBAL ENVIRONMENT FACILITY $5.00
   SWITZERLAND: SWISS AGENCY FOR DEV. & COOP. (SDC) $0.50
   Total Project Cost $9.00

6. Implementation
   Implementation period: Five years for Phase I. It is envisaged that a second phase to this program will be triggered once certain benchmarks are met, including, inter alia, the establishment of the independent Foundation's Board (following guidelines for GEF supported trust funds). During Phase II, the Foundation will shift from a sinking fund to a permanent endowment fund, still focusing on the management of protected areas and biodiversity. As part of the follow-on Phase II program the GEF would be requested to match external contributions to the Foundation up to
Implementation: The detailed institutional, financial, monitoring and evaluation arrangements have still to be confirmed. Nevertheless, the program is being designed to maximize participation and ownership by key stakeholders, both government and non-government. This will require adoption of an implementation structure with capacity to facilitate coordination and dialogue between these stakeholders.

Monitoring and evaluation (M&E). Independent consultants would develop a detailed monitoring and evaluation plan for measuring program implementation progress and impact. This plan will clearly specify the key indicators/data needs and sources, who will collect the data and how frequently for each component as well as for the program as a whole. Participatory monitoring would be used whenever possible, to create a sense of ownership and to promote community understanding of program objectives. Impact indicators would be developed in accordance with guidelines for GEF-financed projects and would include biological/ecological and socio-economic parameters.

7. Sustainability
The Program, through the creation of IBAP and the IBAP Foundation, seeks to provide a sustainable institutional and financial framework for coastal and marine biodiversity management, while keeping the burden on government to a minimum. Sustainability of IBAP activities will depend upon securing: i) sufficient financial resources for the Foundation to meet IBAP’s minimum operational and work program needs; ii) an appropriate governance structure with satisfactory management guidelines; iii) a sound framework governing IBAP’s relationship with its parent ministry; and iv) commitment of beneficiaries and other stakeholders to participate in the conservation activities under the program.

Furthermore, recognizing that coastal and marine biodiversity concerns cannot be addressed in isolation, and will be affected by broader environmental and natural resource management decisions in and outside the coastal zone, the program also seeks to establish a broader legal and institutional framework, primarily in the form of environmental assessment regulations and harmonization of legislation, to ensure the judicious management of environmental and social factors and thus promote adoption of a sustainable economic development path.

8. Lessons learned from past operations in the country/sector
The proposed program has been designed on the basis of the lessons learned during the past 13 years. It is being developed in concert with an update of the NEAP and the preparation of a NBSAP, now in its final stages. Broad-based experience gained by the Bank and others working in Guinea Bissau; coastal and biodiversity specific experience gained in implementation of the Bank, GEF and IUCN portfolios; and sustainable conservation financing (specifically trust fund) experience gained through the international work of Conservation Finance, the GEF and others all provide important lessons for the design of the program. Amongst these lessons, several aspects have been identified as being particularly relevant in the current Guinea Bissau context. These aspects are: Government commitment and ownership, human and institutional capacity, ensuring financial sustainability. GEF and other biodiversity program experience indicates that the identification of appropriate economic alternatives for communities and local resource users is a key factor in changing local resource management practices in favor of biodiversity
conservation and sustainable use objectives. Community participation and an adequate understanding of local socio-economic, ecological and cultural factors are important factors for the successful identification and adoption of any alternative livelihood activities.

Additional lessons to also be taken into account during program preparation and design include: i) ensuring ongoing stakeholder consultation and participation so as to promote ownership and identify issues and concerns early on; ii) facilitating dialogue and coordination amongst government and other key implementation partners so as to promote synergies and reduce conflicts; iii) building flexibility into program design so it can readily be adapted to respond to lessons learned during implementation and/or changing national circumstances; iv) keeping the burden placed on national budget and counterpart contributions to a minimum; v) ensuring early on that sufficient administrative and financial management capacity is in place (including familiarity with WB/GEF procedures and guidelines); vi) taking a programmatic approach that coordinate donor support so as to avoid overlaps and gaps; and vii) establishing a supportive institutional and legal framework, including putting in place mechanisms that ensure coastal and biodiversity management issues are taken into account in broader decision-making.

9. Environment Aspects (including any public consultation)

Issues: The overarching objective of the program is to strengthen Guinea Bissau’s management of coastal biodiversity for both conservation and sustainable development ends, with an emphasis on local communities. As such, the program seeks to maintain or improve environmental quality, particularly with regard to ecosystem health and its related biodiversity of global significance. A detailed EA will be conducted to identify more specifically the potential positive and negative impacts, and any mitigating measures. Program design will be modified accordingly.

It should be noted that the current absence of environmental and social safeguards leaves Guinea Bissau extremely vulnerable to negative externalities with respect to development of the petroleum and fisheries sectors, amongst others.

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

This PID was processed by the InfoShop during the week ending October 25, 2002.