

Project Name Comoros-Natural Resource Management and Environment...  
Project

Region Africa

Sector Environment

Project ID KMPA605

Borrower To be determined

Implementing Agencies Ministry of Rural Development  
Fisheries and Environment  
Box 41, Moroni, Comoros  
Contact: S.E.M Idarousse Attoumane  
Minister of Rural Development  
Fisheries and Environment  
Contact: M.Youssouf Hamadi  
Director General Environment (DGE)  
Tel: (269) 73.30.63  
Fax: (269) 73..11

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#### Country and Sector Background.

1. The Comoros is an archipelago of three islands, with a population of 0.5 million. The Comoros, among the poorest countries in the world, had a per capita income of only US\$520 in 1993. Agriculture occupies a predominant role in the country's economy, accounting for 42 percent of the GDP. Over 70 percent of the population depend on agriculture for their livelihood. Most all of the country's export earnings are derived from three main commodities: vanilla, cloves and essential oils from ylang-ylang. Food production is largely subsistence-oriented and a sizable proportion of the country's food needs are met through imports of rice. The industrial sector is rudimentary and limited to small manufacturing, while tourism is at an early stage of development.

2. To improve macroeconomic stability and lay the foundation for sustained economic growth, the Government has embarked upon an adjustment program, supported by an IDA credit and an IMF SAF arrangement. Key features of the program include: currency devaluation; fiscal, monetary and pricing policy reforms; civil service restructuring and private sector development. To improve the competitiveness of the agricultural sector, the Government also prepared a new Letter of Sector Development Policy that would be supported by an IDA-financed Agricultural Sector Support Project currently under preparation. Such a strategy would benefit the Comoros both by reducing reliance on natural resources and, at the same time, stimulating economic growth.

3. Environmental problems in the Comoros include: increasing

agriculture-induced deforestation and the associated reduction in biodiversity; soil erosion, sedimentation and decreasing soil fertility; degradation of the productivity of coastal ecosystems due to over-fishing and destructive techniques, extraction of sand for construction and coral for lime, and export of live animals; unplanned urbanization; and health hazards related to waste disposal. These trends are largely the result of overpopulation, economic difficulties, agricultural practices inducing erosion, absence of a protected areas system tailored to the country environmental conditions, administrative weaknesses and limited government implementation capacity, policy and jurisdictional distortions, inappropriate land tenure situation that discourages on-farm investment and long term conservation. Moreover, the country's lack of experience in environmental management, as well as unavailability of funding pose additional --and significant-- constraints to the Comoros in achieving the sustainable use of natural resources and biodiversity conservation. As a result, quick action should be taken to reduce the negative interaction of population growth, declining agricultural productivity and environmental degradation.

4. To address the challenge of environmental degradation, the Government of Comoros endorsed a National Environment Action Plan (NEAP) in August 1994, providing the country with a comprehensive strategy for environmental management and protection as well as a proposal for investment. Four main NEAP strategic priorities provide the operational guidelines for this proposed project: (i) to collect environmental information that is required for proper environmental management planning and decision-making; (ii) to strengthen the institutional framework for environmental management and coordination at all levels; (iii) to provide training for environmental specialists, increase the public's environmental awareness of the public and bring about effective public participation in environmental management; and (iv) to preserve and restore the equilibrium of the ecological process, protect biodiversity and promote the rational use of natural resources for the benefit of present and future generations. Furthermore, the NEAP acknowledges that restored economic growth and successful family planning program are the only long run options for relieving pressure on the environment. The Government's recent decision to participate in eight international treaties and conventions concerned with terrestrial and marine biodiversity and conservation activities also demonstrates increased commitment to environmental protection.

5. Responsibility for environmental management is vested in an incipient "Direction Générale de l'Environnement" (DGE), which also oversees biodiversity conservation. The Ministry of Rural Development (MDRPE) controls agricultural extension, research, forestry and fisheries. The country also has a separate Ministry of Tourism and a Centre National de Documentation et de Recherche Scientifique (CNDRS) in charge of environmental research. In order to integrate environmental concern into sector policies, the Government created in 1992 an Inter-ministerial Consultative Environmental Committee (Comité Interministeriel Consultatif pour l'Environnement or CICE) consisting of representatives of line ministries, Government agencies and the private sector, including NGOs.

Project Objectives

6. Consistent with the NEAP priorities listed above, the main objectives of the proposed project would be to: (i) preserve the biological diversity and productivity of natural terrestrial and coastal ecosystems, mainly through preventing habitat destruction, pollution and over-exploitation of natural resources and destruction of endangered species; (ii) establish and/or strengthen institutions, policies and enforceable regulatory measures to improve natural resource management (NRM) and control over their utilization processes, and develop incentives that will encourage local participation in conservation activities; and (iii) integrate conservation and sustainable utilization of coastal/marine and terrestrial natural resources into economic development goals. The project would also seek to strengthen community organization and capacity in the sector and restate customary rights on public land. It would thereby reinforce the Agricultural Sector Support Project's efforts towards enhancing private sector participation in agricultural development and facilitating entrepreneurial initiatives.

#### Project Description

7. The project would consist of the following three mutually-reinforcing components. First, a GEF financed component would support the creation and management of marine, coastal and terrestrial protected areas including specific zones designated as multiple use areas, biosphere reserves or wildlife sanctuaries as well as the protection of endangered species such as sea turtles, dugong, coelacanth, lemurs, Levingstone bats, etc.. Priority would be given to the coastal zone of Niamachoua (Moheli) in light of its development potential. Other sites identified jointly with the Government which would be considered during preparation include: the remaining ridge forest of Anjouan and Moheli; Chironini (la Selle Island in Anjouan), some sea turtle breeding sites (Moheli); and the Dzialandze and Djialoutrounga (Anjouan) and Boundouni (Moheli) lakes. Second, an environmental capacity building program would support the development of policy reforms, sustainable land use policy as well as regulatory and incentive frameworks that would be consistent with sustainable NRM objectives. Effective public participation and community involvement in NRM and environmental conservation would be important objectives in program design. Further, the component would also strengthen government and local environmental management capacities; establish an environmental information service (EIS) to stock environmental information and monitor changes in natural resource uses and environmental quality; and develop a country-wide environmental education and public awareness program resulting in greater public support for conservation measures. Finally, a Land/Coastal Development program would support the funding of NRM activities at the local level as well as income-generating initiatives aimed at enhancing natural resource values and biodiversity in and outside protected areas. This component would provide additional incentives in building up local commitment for conservation.

#### Project Financing.

8. Of a total project cost tentatively estimated at US\$4.0 million, GEF and IDA are together expected to finance about US\$1.5 million each. Acute budgetary conditions constitute a major issue in setting the

Government' share of counterpart contribution; donor co-financing currently estimated at US\$0.5 million may thus have to compensate for any deficiencies in Government funding, particularly for the environmental capacity building program.

#### Project Implementation

9. Supervision and monitoring of the proposed project would be integrated into the DGE's mainstream activities. The protection and management of protected areas and the execution of rehabilitation programs for endangered species, as well as the development of land/coastal NRM programs, and the identification of activities enhancing the economic value of protected areas, forests, community lands and coastal zones would be subcontracted to local NGOs having the requisite experience to support local communities. Managing the EIS would be the responsibility of the CNDRS while ecological and socioeconomic surveys would be subcontracted to local NGOs or consulting firms. Funding for natural resource and biodiversity-related alternative income-generating activities would be channeled through existing financial intermediaries.

#### Sustainability

10. Unless local people gain economic benefits from the sustainable management of natural resources or from protected areas, there is little likelihood that sustainable natural resource management and effective long-term protected area conservation could be achieved. Therefore, project sustainability would be realized by addressing four key components of the Government's environmental strategy. First, policies, laws and regulations creating perverse incentives that discourage natural resource and biodiversity conservation would be revised. Second, involving local people in decision-making and protected area management, addressing the needs of local communities and emphasizing environmental education would help linking conservation and development. Third, mobilizing financial resources for the development of community management and protection initiatives and alternative income generating activities and establishing natural resource taxes in order that incentives for extraction and protection could be gradually brought into balance and/or user charges to generate additional revenues would make significant contributions to local economies. Finally, by assisting to put in place the necessary mechanisms for NRM policy formulation, planning, implementing and monitoring at the central and local levels, the proposed project would intensify the efficiency of on-going or planned activities financed by IDA and other donors in agriculture, forestry, water, energy and education projects. It would also help to focus donor assistance for environmental concerns in an integrated manner.

#### Lessons from previous IDA Involvement

11. The agricultural sector enjoys much potential; notwithstanding the fragile ecology of the islands, soils and climate are very favorable for the expansion of food and export crops. However, IDA's previous involvement in agriculture, livestock and forestry was not very successful. As a result, the following main lessons learned from these

experiences have been internalized in the project design: (i) implementing agencies, NGOs and beneficiaries would be involved early in project design through locally supportive consultation processes; (ii) intensive field surveys and sector works would be carried out to identify more conducive policy and institutional frameworks for NRM and environment conservation; and (iii) because of the Government's budgetary constraints, popular participation and cost-recovery would be factored in to enhance sustainability prospects.

#### Poverty Category

12. The major environmental problems of the Comoros are closely linked to poverty. By encouraging investments in NRM and conservation and increasing incomes at the local level, it would have relatively high potential multiplier effects for the local communities. Moreover, by designing and implementing cost-effective NRM and conservation policy instruments, it would offset negative short-term impacts on the poor from adjustment policies at the macro level. As a result, the project design would be fully consistent with the Government's poverty-reducing strategy.

#### Environmental Aspects

13. An environmental category A has been assigned to this project as it will be located in or near sensitive coastal and upland areas and seek to enhance the economic value of natural resources. Accordingly, a project-specific environmental impact assessment analysis (EA) will be carried out during preparation. It has also been agreed that this EA will be extended to the proposed Agricultural Sector Support Project to include agriculture-related environmental concerns. Moreover, during project implementation, a specific EA would be required for each local NRM initiative and income-generating activity developed by the local communities and funded by the project.

#### Program Objective Categories

14. The project would contribute to the following Program Objective Categories: (i) improve environmental protection; (ii) agricultural development; (iii) poverty alleviation; and (iv) capacity building (NGOs, local communities, and MDRPE).

Contact Point:           Public Information Center  
                              The World Bank  
                              1818 H Street, N.W.  
                              Washington, D.C. 20433  
                              Telephone No. (202) 458-5454  
                              Fax No. (202) 522-1500

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