GEF-MSP GRANT NO. TF 023504
P064443-LEN-BBGEF
Conservation planning for biodiversity in the Thicket Biome, South Africa.

IMPLEMENTATION COMPLETION MEMORANDUM

CONTENTS

I. Basic Data:

(1) Date of Completion Report:
March, 23, 2005

(2) Project Title:
Conservation planning for biodiversity in the Thicket Biome, South Africa.

(3) GEF Allocation:
$738 950

(4) Grant Recipient:
University of Port Elizabeth

(5) World Bank Manager/Task Team:
Mr Chris Warner

(6) Goals and Objectives:

Goal

To promote the conservation of globally significant biodiversity in the Thicket Biome.

Objectives

1) To provide a detailed spatial analysis of the various thicket types.
2) To assess, together with key stakeholders, the extent of transformation.
3) To develop, together with key stakeholders, an understanding of the threats.
4) To locate and design, together with key stakeholders, potential conservation areas to achieve explicit representation goals.
5) To suggest, together with key stakeholders, explicit conservation actions, in priority order.
6) To provide information for incorporation into regional Structure Plans and national Environmental Management Frameworks.
7) To provide planning guidelines for the relevant working group of the national Committee for Environmental Co-ordination.
8) To provide a capacity building service in GIS-based conservation planning, especially in the institutionally weakened Eastern Cape.
9) To guide investors from the public and private sectors in the selection of land for thicket biome-based commercial ventures.
10) To create an awareness of the value and plight of the Thicket Biome.

(7) Financial Information:
All project funds were disbursed according to the approved project budget, and there were thus no major changes from the original financing plan. The few minor budget changes that occurred

were approved by the Task Team Leader, and merely included shifting unspent budget amounts between line items of budget categories.

The gains from a positive exchange rate during Years 1-3 of the project, allowed for the project to be extended for an additional 12 months. Additional project activities, aimed at enhancing the sustainability of the project and facilitating the accessibility of the project's scientific outputs, were motivated for by Project Management. These activities and their associated budgets were approved by the World Bank.

The accrued funds (SA Rands), together with the interest earned on these funds, and the remaining US $ grant amount were reallocated as a SA Rand budget for the extension year of the project.

The initial budget allocations and the actual project expenditure are detailed in **Annex 1.** Details of the project co-financing are provided in **Annex 2.**

At the end of the project (June 2004), the total grant amount of **US$738 950** had been advanced to the Special Account in South Africa. Together with the interest generated on the Special Account, this converted to an equivalent SA Rand amount of R6,523,019 over the four year period.

Co financing (Type/Source)	**IA Financing (000 US$)**		**Govt (000 US$)**		**Other* (000 US$)**		**Total (000 US$)**		**Total Disbursed (000 US$)**	
	Plan	**Act**	**Plan**	**Act**	**Plan**	**Act**	**Plan**	**Act**	**Plan**	**Act**
Grants	739	736	0	0	0	0	736	736	736	736
Loans/Concessional/ market rate	0	0	0	0	0	0	0	0	0	0
Credits	0	0	0	0	0	0	0	0	0	0
Equity investments	0	0	0	0		0	0	0	0	0
Committed in-kinds support	77	75	0	9	460	92	123	176	123	176
Other	0	0	0	0	0	0	0	0	0	0
Totals	816	811	0	90	46	92	859	912	859	912

The total project expenditure amounted to R6,507,544, and as a result an amount of R15, 475 (ca. US$2,366 depending on current exchange rate) remains unspent, and has been be returned to the World Bank via electronic funds transfer from the University of P.E.

II Project impacts:

(1) Project Impacts:

(a) Achievement of project objectives

No.	Project objective	Level of achievement
1	To provide a detailed spatial analysis of the various thicket types.	This has been achieved. The vegetation mapping exercise has produced the most comprehensive analysis of thicket types to date. Whereas previously only 5 types were recognised, 112 types have now been described and mapped.
2	To assess, together with key stakeholders, the extent of transformation.	The extent of thicket transformation, caused by a range of factors, has been spatially assessed. A number of key stakeholders played an important role in this process.
3	To develop, together with key stakeholders, an understanding of the threats.	A good understanding of the threats to thicket has been developed and spatially expressed. A number of key stakeholders played an important role in this process.
4	To locate and design, together with key stakeholders, potential conservation areas to achieve explicit representation goals.	The conservation assessment provided a "Conservation Priority Map" that identifies and ranks areas that are important for conducting ecologically sustainable land-use practices. These areas were designed to achieve explicit representation goals (i.e. targets). Key stakeholders attended workshops that formed part of this process.
5	To suggest, together with key stakeholders, explicit conservation actions, in priority order.	Workshops were held with key stakeholders, including special interest groups, to address this issue. This culminated in a strategy workshop, attended by key stakeholders, where explicit conservation actions were identified and ranked in priority order.
6	To provide information for incorporation into regional Structure Plans and national Environmental Management Frameworks.	The spatial planning guidelines from the project were made available to local, provincial and national government agencies tasked with land-use planning activities, including the compilation of

		spatial planning frameworks.
7	To provide planning guidelines for the relevant working group of the national Committee for Environmental Co-ordination (CEC).	The planning guidelines were provided to the biodiversity section of the national Department of Environmental Affairs and Tourism, for incorporation into the national planning framework and for informing the activities of Working Group 1 of MinTech and the CEC.
8	To provide a capacity building service in GIS-based conservation planning, especially in the institutionally weakened Eastern Cape.	This objective was modified and achieved in modified form as the GIS potential was recognized to be too limited. A series of capacity building workshops at three localities in the project planning region were held. These were attended decision-makers and planners from the public and private sectors. To assist the achievement of this objective, an additional activity was undertaken, namely the compilation of a handbook to make the project planning outcomes more easily accessible to local government planning authorities which have little capacity in this field. The project confirmed that severe capacity problems preclude the use of GIS-based training.
9	To guide investors from the public and private sectors in the selection of land for thicket biome-based commercial ventures.	This was partly achieved through the production of a framework and co-operative strategy for conserving landscapes and enhancing livelihoods in the Thicket Biome. In addition, a preliminary set of explicit guidelines, based on a spatial component, for potential investors in game-based ventures was produced.
10	To create an awareness of the value and plight of the Thicket Biome.	The project has significantly increased the general awareness of the value and plight of the Thicket Biome, both within and outside the project's planning region, through a programme involving the branding of the project, a project brochure, a media campaign, release of project reports, and numerous presentations.

(b) Achievement of performance indicators.

No.	Performance indicator	Level of achievement
1	An understanding of threats to biodiversity in the Thicket Biome, enabling a strategic approach to conservation actions	A good understanding of the current and possible future threats (or land-use pressures) was developed. The focus here was on threats (see 2 below) that could be spatially depicted across the entire planning region, thereby enabling a successful strategic and systematic conservation assessment to be conducted.
2	Information on the extent and transformation of Thicket Biome vegetation.	The project mapped the current extent or loss of natural habitat – or transformation – associated with urbanization, agricultural and forestry cultivation and overgrazing by domestic livestock. These land-use pressures overwhelmingly account for the loss of natural habitat in the project planning region. Where feasible, possible future threats from agriculture were taken into account.
3	A strategic conservation plan, providing guidance for location and design of an effective protected area system, and for off-reserve utilisation activities.	An innovative and comprehensive strategic conservation plan (or assessment) was produced. This provides explicit spatial guidelines for the location of new, or expansion of current, protected areas, and also for off-reserve utilisation activities that promote the conservation of thicket biodiversity.
4	Implementation of the strategic conservation plan as a fixed component of Structure Plans developed throughout the Thicket Biome	The conservation plan has been fully endorsed, and integrated into provincial spatial planning frameworks, by the conservation and development planning and control government agencies in the two provinces represented in the project planning region. In terms of the local government authorities in the planning region, the conservation plan has been fully endorsed, and integrated into the planning frameworks of four of the five District Municipalities in the planning region. This action was not very successful in the fifth DM, owing to severe capacity problems in this authority; a plan to resolve this problem in the post-project phase has been suggested.

		Mainstreaming of the planning outputs has been less successful at Local Municipality level, mainly owing to the still serious lack of capacity in most of these 30 agencies, and especially in the central and eastern parts of the planning region. Notwithstanding this situation, most of the private consultants that are contracted by these local municipalities to compile their Spatial Development Frameworks are aware of and are using the conservation plan in this exercise. An alternative approach to mainstreaming the project outcomes at this level has been suggested for the post-project phase.
5	Incorporation of the strategic conservation plan as an essential input to the working groups of the Committee for Environmental Co-ordination CEC)	The conservation plan has been provided to the national Department of Environmental Affairs and Tourism, for incorporation into the national planning framework (see below) and for informing the activities of Working Group 1 (Biodiversity) of MinTech, under the CEC. The conservation plan has been fully integrated into the National Biodiversity Strategy and Action Plan, being compiled under the auspices of the national DEA&T. The NBSAP Project Steering Committee reports to Working Group 1.
6	Incorporation of the strategic conservation plan into the drafting of the Environmental Management Frameworks.	No specific actions were undertaken. The achievements listed under 5 above apply. All regional Environmental Management Frameworks must accord with national policy. As the project progressed it became increasingly clear that most of the mainstreaming effort must be focused on local government authorities since this is where, in accordance with the South African government's devolution of power policy, critical land-use planning decisions are made.
7	Enhanced capacity building for conservation and land-use planning authorities. Development of capacity in conceptual and technical aspects of	Four workshops were conducted with key stakeholders to address this issue. These were attended by decision-makers and planners from the public and private

	conservation planning for at least eight planning personnel at regional and provincial levels.	sectors. A preliminary workshop, to identify planner's requirements, was attended by 56 people, of which 40 were from local, regional, provincial and national government departments. A total of 97 people attended three capacity building (training) workshops, of which 60 were decision-makers or planners in local, regional and provincial government departments, and 14 in national government departments. A planner's handbook, designed to make the complex planning outputs more accessible to local government planners, was commissioned to assist this activity.
8	Increased support for the value of Thicket Biome biodiversity.	Achievements for this indicator are difficult to quantify. Based on the relatively good level of support from a wide range of stakeholders and interested parties for all the project workshops, the increased and ongoing requests (to the project office and project team members) for various project information and materials, the requests to give presentations on the project and to provide material and interviews for news articles and radio and TV interviews, and the endorsement of the project outcomes by many influential people at national, provincial, regional and even local government levels, it can be safely stated that there is certainly increased support for the value of thicket biodiversity, and an increased awareness of the need to take urgent steps to protect it.
9	"Co-ownership" of the project with key stakeholders	An eight member Project Steering Committee, that was representative of key stakeholders, and especially implementing agencies, was put in place as one action to achieve "co-ownership". The project's vision and critically important implementation strategy were developed in close consultation with representatives from key implementing agencies, at a strategy workshop held in

		2003; the outcomes of this workshop are presented in a document titled "Keeping people on the land in living landscapes". Throughout the course of the project there was no negative feedback whatsoever on its goal, objectives and outcomes. In fact, feedback on the project from all sectors was overwhelmingly positive and supportive.

(2) Project Sustainability

Project sustainability is considered to be good to excellent. The project has enjoyed strong endorsement and support from national, provincial and local government agencies involved with biodiversity and land-use planning. This is further consolidated by the fact that the planning guidelines from the project have been integrated into the planning policies and frameworks of all these agencies. Some exceptions to this occur at local municipality level, where a severe paucity of capacity to use the project outputs still exists; it was beyond the scope of this project to resolve this situation.

The positive conservation interventions that were taking place, or being planned, when the project commenced have all benefited significantly from having access to the project outputs. These interventions relate mainly to the expansion, planning and development of some of the region's key protected areas. The project's outputs have formed the basis for the compilation of a provincial conservation plan in the Eastern Cape; this plan informs the province's growth and development plan.

The project was conducted, in all phases, in close collaboration with a wide range of key stakeholders. As such, excellent "co-ownership" of the project was achieved. The enthusiasm, interest and momentum generated by the project provides a good basis for achieving the overall aims of the detailed post-project implementation phase (see next paragraph).

The "inheritance" of the implementation phase of the project, together with those of other bioregional planning projects in the broader region, was successfully negotiated with the National Biodiversity Institute (NBI). Additional funds that became available to owing to a favorable exchange rate enabled the project to contribute to the catalyzation of this process. This represents a major step in favor of securing the project's sustainability, and one that was not foreseen when the project was planned. Even though the NBI is committed to the implementation phase of the project, it faces challenges in securing the necessary resources (human, financial, technical) to make meaningful progress.

A suite of Planning Tools was developed to achieve the project's implementation objectives beyond the life of the current project. Together, these tools form an integrated foundation for implementing conservation action throughout the Subtropical Thicket biome (and, indeed,

elsewhere). These tools, which are regarded as the minimum suite that is required to provide a satisfactory planning foundation for implementation, include:

1) A Framework for implementing conservation action
2) A Megaconservancy Network Concept
3) A Conservation Priority Map
4) An Implementation Strategy
5) A Handbook for Local Government land-use planners

It should be noted that 1,2,4 and 5 above are additional to the original MSP objectives and planned outcomes.

The planning "toolbox" provides the foundation for the future roll-out of a suite of Implementation Tools which aim to provide the prerequisite conditions for successful implementation and the essential foundations for enacting conservation 'on-the-ground'. These Implementation Tools include:

- A Bioregional Programmes Co-ordinator (appointed by the National Botanical/ Biodiversity Institute).
- An Eastern Cape Implementation Committee, co-ordinated by the Bioregional Programmes Co-ordinator.
- The Fish River Biodiversity Initiative: This will eventually integrate a wide range of initiatives, including the trialing of a number of conservation incentives (e.g. tax, carbon credits).
- Local Government land-use planner training.
- Scheduling Opportunities for Conservation Action.
- Common Property Resource Agreements.
- An annual Thicket Forum.

(3) Replicability

The replicability of the conservation assessment and stakeholder participation components of the project is considered to be very good. This is based on the fact that there was meticulous reporting of the conceptual, methodological and technical approaches followed, for these components of the project, and that all outputs are presented in a series of detailed reports that are available, free of charge, in electronic format. The reporting is of such a nature that the approach followed for these two components can be replicated outside of the project's planning domain, with necessary adjustments for local conditions.

A number of key aspects of this model are either going to be or are being replicated by this project in other parts of South Africa. This includes the whole systemic conservation planning approach discussed below:

3.1 *Conservation Assessment (Conservation Planning)*

The approach taken for this component involved six major steps:

1. Development of layers of potential land-use pressures.
2. Identification of targets for biodiversity features.
3. Assessment of the extent to which targets are achieved for biodiversity features.
4. Preparation of tables and data matrices for conservation planning analyses.

5. Conservation planning analyses.
6. Identification of a system of conservation areas.

The conceptual framework to the conservation assessment was guided by the project's conservation planning framework and underpinned by three principles:

1. Ecologically sustainable land management.
2. Systematic conservation planning.
3. Implementation as an integral part of conservation assessment.

The conservation assessment identified two major outcomes for spatial priorities requiring conservation action, namely megaconservancy networks and maps of conservation status.

The assessment is a major advance over previous bioregional assessments in South Africa and elsewhere in the world in that it:

- placed less emphasis on pattern and far more emphasis on spatial components of processes, i.e not only on where the biodiversity occurs, but also on what ecological processes are required to maintain it there.
- developed new strategies to make conservation planning outputs readily implementable,
- dedicated an entire component of the conservation planning activity to implementation.
- closely integrated conservation planning with implementation (i.e. the science is based around implementation), and
- produced relatively user-friendly, spatially explicit conservation planning products.

There were a large number of "lessons learned" from this project, and from contemporary bioregional planning projects (GEF-supported CAPE and Conservation International-supported SKEP). The need for brevity permits only the following synopsis:

- Important questions that must be asked before embarking on a conservation plan include "Who wants or needs this plan ?", "Who will inherit the planning outcomes and what will they be used for ?", "What is the organizational and institutional capacity for implementation ?", and "What are the likely implementation mechanisms ?".
- It is worth investing time and resources in a consultative project design process that involves key stakeholders.
- Implementing agencies need to be closely involved in the planning process, ideally as part of the conservation assessment team.
- Stakeholders must be involved in a focused way that addresses their needs and interests.
- The conservation assessment must be conducted according to systematic conservation planning principles.
- The spatial results of the conservation assessment need to be interpreted for implementing agencies and a wider audience of stakeholders.

(4) Stakeholder Involvement

Ongoing consultation with, and involvement by, stakeholders was a cornerstone of the project. This component was conducted through a focused stakeholder participation program that was based on the following broad activities:

- identifying stakeholders;

- determining their needs;
- obtaining their inputs on key project activities;
- keeping them informed about the progress and outcomes of the project;
- coaching them in the use of the spatial planning outputs;
- encouraging their future involvement in the implementation phase of the project;
- making pertinent information easily accessible; and
- creating and maintaining a general awareness about the project and its aims.

Stakeholder consultation occurred throughout the research and planning phase of the project, commencing with endorsement of the project proposal in the fund-raising stage, and culminating in the approval of the implementation strategy.

Key products include a project brochure, electronic stakeholder database, regular project newsletters, radio, TV and newspaper items, popular articles, internet website, presentations, posters, questionnaires, introductory and consultative workshops, focus group meetings, capacity building (training) workshops, a strategy workshop, and a Closing Conference. A Steering Committee comprised of representatives of some key implementing agencies was established for the life of the project.

Lessons learned include the following:

- A stakeholder participation program co-ordinator should be resident in, and familiar with, the planning region and its landscapes, institutions and people.
- It is vital that the complex and technical conservation assessment results be interpreted in a way that facilitates their use by land-use planners and decision-makers at local government level. This was achieved in this project by commissioning a highly regarded and well-received local government planner's handbook.
- The mainstreaming of spatial biodiversity planning guidelines at local and district municipality level would have been greatly facilitated had these agencies in-house environmental planning "champions". While this is currently not feasible at local municipality level, such a position is perhaps feasible at district municipality level and would be highly advantageous.
- It is important to involve private town and regional planning consultants in the awareness and capacity building programs because, with very few exceptions, the local and district municipalities contract the compilation of their spatial development frameworks to them.
- Conservation planning products should only be advertised and made available to general users when they have been completely finalized and packaged.
- A website is an ideal tool for making up to date project outcomes available to interested and affected parties. These products include background information, specialist reports, minutes of meetings, proceedings of workshops, and final products, including downloadable GIS files.
- Planning and running capacity building workshops, to which local government councilors and officials were invited, achieved only limited success, and very little success at the local municipality level. With hindsight, it would have perhaps been more effective to employ a trainer (or small team of trainers) to visit each local and district municipality and to conduct a one or two day workshop with appropriate municipal councilors and officials.

- The fact that three bioregional planning projects (STEP - Subtropical Thicket Ecosystem Planning project; SKEP -Succulent Karoo Ecosystem Planning project and CAPE - Cape Action for People and the Environment), with overlapping planning regions and with similar objectives, *modus operandi* and outcomes, were operating concurrently, created confusion amongst many stakeholders. The close similarity in the names "STEP" and "SKEP" exacerbated this problem. Therefore, these kinds of projects should have their own unique identities, and pro-active steps should be taken to prevent confusion between similar ventures.

(5) Monitoring and Evaluation

A Steering Committee was established which met on a six monthly basis and reviewed the annual business plan and progress report for the period. In addition Quarterly work plans and progress reports were submitted to the Bank for comment.

Two independent reviewers were appointed to produce two interim assessments, and a final comprehensive assessment, of (a) the scientific and stakeholder participation contents of the project, (b) the integration of the different activities within the project to ensure that the end product is an integrated and implementable plan, and (c) the progress and achievements of the project, the latter by comparing measurable products against baseline information, using the project indicators as guidelines. Apart from some minor criticisms from the reviewers, which they acknowledged were beyond the influence of the project, they both reported highly positively on (a)-(c). In addition peer review was used from time to time to guide the development of the project in cooperation with Bank supervision missions.

No adjustments were made to the review process during the course of the project.

(6) Special Project Circumstances

(a) On the positive side, a favorable exchange rate for much of the project period allowed a number of additional activities to be introduced, or current activities to be boosted. These were focused on (i) the researching and compiling of a comprehensive and ground-breaking implementation framework and strategy, (ii) support for the "inheritor" of the implementation phase of the project, and (iii) a contribution to the production of the local government planner's handbook. In addition, the windfall of funds also enabled the project to be extended fulltime for six months and part-time for a further six months. This extension was fortuitous since unforeseen technical delays in the completion of the conservation planning products forced a delay in the production of the handbook and in the running of the all important capacity building workshops. The extension also enabled the project to provide ongoing advice and mentoring support for (i) and (ii) above, thereby increasing their effectiveness. As a consequence of additional funds becoming available, the implementation component of the project was substantially boosted.

(b) On the negative side, it was known at the start of the project that the poor capacity of the local municipalities in the planning region would provide a challenge with regard to the mainstreaming of the planning guidelines at this level. However, despite the contributions of state-supported organizations (e.g. Municipal Mentoring Programme, PIMSS) to improve the

situation, it has appeared that relatively little success has been achieved. Consequently, while mainstreaming of the project outputs was successful at other levels of government, and in the private sector, this unfortunately was not entirely the case at local municipality level (with some exceptions). This remains a challenge for the post-project implementation phase.

Communal areas: Given their political, social and economic history, these areas (which form a relatively small part of the project's planning region) present a particular challenge for implementing the project outcomes. Not all issues could be resolved by the project and these will have to be dealt with in the post-project implementation initiative co-ordinated by the NBI. However, the fact that the communal areas are part of the same local government structures as the commercial areas, provides a good basis for future implementation interventions.

(7) Institutional Capacity / Partner Assessments:

The recipient noted the following: "In general, the recipient was satisfied with the performance of the implementing agency (World Bank) during the planning and implementation phases of the project. The IA expressed its ongoing commitment to the project through its enthusiasm about, and support for, the additional project activities".

The project highlighted the known weaknesses in Government in the project area. As a result the project's capacity building approach was modified to take these weaknesses into account and to strengthen local government in particular to implement project outcomes.

III. Summary of Main Lessons Learned

- For projects such as this to succeed, it is vital that a project team that has proven abilities in project management, field and remote research, conservation planning, public participation, capacity building (training) and information dissemination is engaged.

- It is critical that key stakeholders are identified and closely consulted in project development and implementation.

- The conservation assessment must be conducted according to systematic conservation planning principles.

- To achieve success in mainstreaming the outcomes of a complex and technical conservation assessment to stakeholders that exhibit a wide range of sophistication in this field, it is critical that these outcomes are interpreted in a form that makes them accessible to all within this range. Thus, conservation planning products must be designed specifically for end users.

- The greater the institutional capacity, and political stability, of the agencies that will implement the outcomes of the conservation assessment, the greater the likelihood that actions to mainstream these outcomes within these agencies will succeed.

- Successful mainstreaming requires "champions", i.e. motivated individuals in the private and public sectors.

- Bioregional planning projects must plan for mainstreaming. Implementation is the most difficult and time-consuming part and therefore the planning and stakeholder participation components must be fully integrated with it.

- Education and training are paramount to the successful mainstreaming of bioregional planning products.

- Successful mainstreaming demands net benefits to implementers, i.e. they must be able to see direct benefits.

- In South Africa, land-use planning policy and guidelines are supposed to be integrated through all tiers of government, in a "top-down" and "bottom-up" manner. In reality, the most important decisions are currently being made at the lower levels of government, especially at municipal level. Therefore, municipalities must be targeted for the mainstreaming of biodiversity spatial planning guidelines.

IV. Financial Management Status

A final financial report as well as a summary of the Audit Reports received over the course of the project, and an assessment from the University of Port Elizabeth's Director of Finance of these reports, is attached. The due date of final statement of accounts and external audit is 30 November 2004, however, these documents are included together with this report (as provided to the task manager).

The following financial documents are available:

1. A financial statement of account (as per previous Project Management Reports) from the University of Port Elizabeth for the UPE-WORLD BANK THICKET BIOME PROJECT (GEF-MSP grant No. 023504). An unspent amount of R15, 475 is indicated.

2. The Audit report and the opinion of the external auditors for the project (period from 1 July 2000 to 30 June 2004). The final audit report indicates that it is the opinion of PriceWaterhouse Coopers Inc. "the Quarterly Sources and Uses of Funds of the "Special Account" fairly present, in all material respects, the income and expenditure of the Conservation Planning for Biodiversity in the Thicket Biome Project (GEF Grant no: 023504) for the six months ended 30 June 2004", and that "the cumulative figures, included in the Quarterly Sources and Uses of Funds Statement at 30 June 2004 represent the income and expenditure for the entire duration of the project" (i.e. June 2000 to 30 June 2004).

3. Correspondence from ABSA Bank confirming that the ABSA Special Account was closed on 20 September 2004, and that the closing balance of R42 274.14 was transferred to the University of Port Elizabeth cheque account. This closing balance is reflected in the final statement of accounts.

4. ABSA Electronic Funds Transfer Deal Receipt, providing proof that the unspent amount of R15, 475 (US$2,467.15) has been transferred to the following World Bank account (referenced as *GEF Grant 023504*):

   Route Code Swift TID Bank's Name PNBPNY PNBPUS3NNYC WACHOVIA BANK N.A. NEW YORK Account no. IBRT 2000192003489

ANNEX 1: Initial budget allocations and the actual project expenditure.

	PROJECT BUDGET (1/7/00 – 30/6/03)					PROJECT EXPENDITURE (1/7/00 – 30/6/03)				YEAR 4 (1/7/03 – 30/6/04)		PROJECT (1/7/00 – 30/6/04)	NOTES
	US $				SA Rands	SA Rands				SA Rands		SA Rands	
CATEGORY	**Year 1 (1/7/00 – 30/6/01)**	**Year 2 (1/7/01 – 30/6/02)**	**Year 3 (1/7/02 – 30/6/03)**	**Total (1/7/00 – 30/6/03)**	**Project**	**Year 1 (1/7/00 – 30/6/01)**	**Year 2 (1/7/01 – 30/6/02)**	**Year 3 (1/7/02 – 30/6/03)**	**Total (1/7/00 – 30/6/03)**	**Budget**	**Expenses**	**Total**	
PERSONNEL													
Scientific project manager	40,000	44,000	48,400	132,400	1,168,873	295,252	417,684	455,937	1,168,873	234,162	234,158	1,403,031	
Administrative/tech assistant	10,000	11,000	12,100	33,100	292,218	65,098	103,346	112,090	280,535	103,323	103,326	383,861	
SUBTOTAL	**50,000**	**55,000**	**60,500**	**165,500**	**1,461,091**	**360,350**	**521,030**	**568,027**	**1,449,408**	**337,485**	**337,484**	**1,786,892**	
CONSULTANTS													
Conservation planner	21,200	32,000	34,000	87,200	610,400	76,100	179,100	456,147	711,347	109,500	109,500	820,847*	* Additional approved activities falling under the conservation planning contract included: Implemetation Specialist (R180 000); Game Farm Survey (R30 000); Identification of spatial components of processes (R32 222)
Biological survey	81,000	0	0	81,000	567,000	200,000	360,000	0	560,000	7,000	7,000	567,000	
GIS services	20,000	25,000	30,000	75,000	525,000	179,138	208,403	137,460	525,000	0	0	525,000	
Image analysis	74,000	0	0	74,000	529,874	105,975	423,899	0	529,874	0	0	529,874	
Stakeholder participation	27,000	28,000	30,500	85,500	601,250	180,375	180,375	165,344	526,094	75,156	75,157	601,251	
Project reviewer	2,000	3,000	5,000	10,000	75,000	0	28,000	20,500	48,500	26,500	26,500	75,000	
NBI - East Cape Co-ordinator	0	0	0	0	0	0	0	0	0	185,000	185,000	185,000	
Game Farm Manual	0	0	0	0	0	0	0	0	0	52,500	52,500	52,500	
Fish Implementation	0	0	0	0	0	0	0	0	0	80,000*	77,009	77,009	*R100 000 was approved for this activity, but R20 000 was spent through the transport budget on Fish Implementation activities.
SUBTOTAL	**225,200**	**88,000**	**99,500**	**412,700**	**2,908,524**	**741,587**	**1,379,777**	**779,451**	**2,900,815**	**535,656**	**532,666**	**3,433,480**	
GOODS													
Computer hardware	10,000	0	9,500	19,500	155,509	45,668	87,473	395	133,536	20,000*	18,553	152,089	*GIS compatible computer and A3 printer for producing STEP maps.
Computer software	5,000	0	0	5,000	37,938	2,402	17,189	0	19,591	0	0	19,591	
GPSx2	0	0	0	0	0	0	0	0	0	0	0	0	
4x4 vehicle and accessories	25,500	0	0	25,500	193,481	192,958	0	0	192,958	0	0	192,958	
Trailer	3,000	0	0	3,000	22,763	13,895	0	0	13,895	0	0	13,895	
Field equipment	2,000	0	0	2,000	15,175	12,219	0	8,192	20,411	0	0	20,411	
Colour laser printer	5,700	0	0	5,700	43,249	31,676	0	0	31,676	0	0	31,676	
Fax machine	500	0	0	500	3,794	2,900	0	0	2,900	0	0	2,900	
Scanner	1,000	0	0	1,000	7,588	0	0	0	0	0	0	0	
SUBTOTAL	**52,700**	**0**	**9,500**	**62,200**	**479,495**	**301,718**	**104,662**	**8,587**	**414,967**	**20,000**	**18,553**	**433,520**	

	PROJECT BUDGET (1/7/00 – 30/6/03)					PROJECT EXPENDITURE (1/7/00 – 30/6/03)				YEAR 4 (1/7/03 – 30/6/04)		PROJECT (1/7/00 – 30/6/04)	NOTES
	US $				SA Rands	SA Rands				SA Rands		SA Rands	
CATEGORY	Year 1 (1/7/00 – 30/6/01)	Year 2 (1/7/01 – 30/6/02)	Year 3 (1/7/02 – 30/6/03)	Total (1/7/00 – 30/6/03)	Project	Year 1 (1/7/00 – 30/6/01)	Year 2 (1/7/01 – 30/6/02)	Year 3 (1/7/02 – 30/6/03)	Total (1/7/00 – 30/6/03)	Budget	Expenses	Total	
RUNNING EXPENSES Travel & Accommodation													
Kilometres	3,000	3,500	3,900	10,400	89,387	14,460	12,241	17,624	44,326	30,000*	47,909	92,234	*Includes R20 000 from the Fish Implementation budget
Airfares	2,000	2,500	1,500	6,000	51,986	1,048	14,915	12,947	28,911	10,000	6,925	35,836	
Accommodation and food	2,000	2,500	1,900	6,400	55,339	1,738	2,213	6,395	10,346	10,000	9,441	19,787	
SUBTOTAL	**7,000**	**8,500**	**7,300**	**22,800**	**196,712**	**17,246**	**29,369**	**36,967**	**83,582**	**50,000**	**64,275**	**147,857**	
Miscellaneous													
Workshops	4,000	0	300	4,300	32,865	4,851	14,365	5,746	24,962	50,000*	52,321	77,283	*Thicket Forum
Advertising	6,500	0	0	6,500	49,319	24,870	0	0	24,870	0	0	24,870	
Insurance	500	600	650	1,750	15,059	3,800	4,800	7,200	15,800	6,000	8,757	24,557	
Maintenance and spares	1,500	2,000	2,500	6,000	51,728	870	1,829	3,939	6,638	10,000	15,344	21,982	
Tel/fax/copier/Internet exp	4,500	5,000	5,500	15,000	128,723	10,812	15,850	17,454	44,116	12,500	18,495	62,611	
Stationery and report production	1,000	1,200	1,500	3,700	31,795	6,288	5,219	7,604	19,112	80,000*	75,128	94,239	*Printing of STEP Handbook and Mapbook
Books	1,200	800	500	2,500	21,052	6,765	8,992	6,653	22,409	2,000	1,940	24,349	
Miscellaneous	1,000	1,000	1,000	3,000	25,665	5,846	9,541	8,212	23,598	20,000	24,758	48,356	
Auditing and accounting	11,000	11,000	11,000	33,000	282,315	85,288	107,798	79,471	272,557	58,455	54,990	327,547	
SUBTOTAL	**31,200**	**21,600**	**22,950**	**75,750**	**638,520**	**149,391**	**168,394**	**136,279**	**454,063**	**238,955**	**251,732**	**705,795**	
TOTAL	**366,100**	**173,100**	**199,750**	**738,950**	**5,684,342**	**1,570,292**	**2,203,232**	**1,529,310**	**5,302,835**	**1,182,096**	**1,204,709**	**6,507,544**	

NOTES

The budgeted SA Rand amount for the Running Expenses and Miscellaneous Categories was calculated by using an exchange rate of 7.59 for Year 1, 9.70 for Year 2 and 8.38 for Year 3. These exchange rates are averages of the prevailing exchange rate at which the quarterly disbursements, within each year, were received.

The time based contracts (Personnel salaries) were paid in SA Rands, according to the US$ allocations of the approved project budget. As a result the salaries were based on the prevailing exchange rate at the time of disbursement from Washington Grant Account, and receipt thereof by ABSA Bank (Special Account). Prior review, where required, of personnel contracts was carried out by the World Bank.

The lump sum contracts (Consultants) were negotiated in SA Rands, at the prevailing exchange rate, as per the approved project budget, and were thus fixed Rand amounts. The following exchange rates (SA Rands: 1US$) applied to the respective contracts; Conservation Planning 7.00; Biological Survey 7.00; GIS Services 7.00; Image Analysis 7.16; Stakeholder Participation 7.03; Project Review 7.50. Copies of all consultant contracts were submitted to the World Bank.

In project Years 1 to 3, all project funds were disbursed according to the approved project budget. A few minor changes were approved by the Task Team Leader, and merely included shifting budget amounts between line items of budget categories. No variances are explained as the initial project budget was under spent on all main categories.

An amount of R911,221 remained in the Project Special Account at the end of Year 3; and an amount of approximately R245 000 interest had been generated by the project funds. A further US$3402 remained in the Washington Grant Account. These gains resulted largely from the positive exchange rate during Years 1-3 of the project, and allowed for the project to be extended for an extra year, without exceeding the US $ budget. Additional project activities and budgets were approved by the World Bank. The unspent funds were reallocated as a SA Rand budget for Year 4 (Budget amount = R1,180,000).

A total of US$738 950 (i.e. the approved Grant Amount) was advanced to the Special Account during the life of the project, which amounted to a total of R6,236,010.
A total of R177,215 interest was generated on the Special Account balance, and a further R109 794 on the UPE account balance (Total interest generated = R287,009).
Thus the total project income was **R6,523,019.**

The total project expenditure amounted to **R6,507,544**, leaving a balance of **R15,475** (ca. US$2,366), which will be returned to the World Bank.

ANNEX 2: Details of the project co-financing.

Organization	Item	SA Rands	US $
University of Port Elizabeth	Project offices and furniture; resource room; vehicle garaging; cleaning service	R335 000	$65 945
Development Bank of Southern Africa	STEP Handbook and Map book	R300 000	$59 055
University of Port Elizabeth, Botany Department.	GIS hardware and software	R56 000	$11 023
Department of Arts, Culture, Science and Technology	Biomap Project staff and resources	R45 000	$8 858
National Research Foundation	Thicket Research (MSc and PhD projects)	R160 000	$31 496
Total		**R896 000**	**$176 377**

Note
An exchange rate of R5.08 to US$1 was used to calculate the US$ amount, as this was the rate used to compile the original project budget in 1999, when an amount of US$123, 020 was budgeted for co-financing of the project.

Annex 3. Comments by Africa Region, GEF Team

Background

The project achieved its goal of promoting the conservation of globally significant biodiversity in the Thicket Biome, successfully meeting its objectives and achieving its performance indicators. The vegetation mapping exercise produced the most comprehensive analysis of thicket types available to date. The project showed success in:

a) accomplishing all ten project objectives;
b) involving all key stakeholders and motivating them to apply good practice effectively;
c) helping to remove barriers, such as lack of capacity at certain levels, and
d) showing strong sustainability.

Key elements that contributed to successful implementation included involving decision makers from all levels of government and private sector, good knowledge generation and sharing, application of the knowledge, and development of user-friendly tools. These factors enabled the project to have greater impacts with fewer resources, achieving inclusion of the conservation plan into national biodiversity strategy and action plan, and increasing awareness and knowledge base regarding the impacts of farming practices on biodiversity. The use of media and TV to disseminate project information also contributed to the positive outcomes.

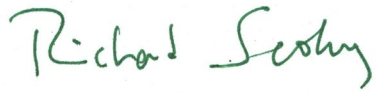
Lesson Learned

There are many lessons to be learned from this project. Through this project, it was evident that local farmers generally care about the environment and are willing to accommodate biodiversity in their farming practices.

The favorable exchange rate extended the project implementation duration for an additional 12 months which increased the project's potential for sustainability. In other words, without this unforeseen financial situation, the project may have needed more than the initially planned resources to achieve the same outcome.

The project has high potential for replication. A number of key aspects, including the whole systemic conservation planning approach, are either going to be, or are already replicated in other parts of South Africa.

Richard Scobey
Acting Sector Director AFTSD



Chris Warner
Senior Environment Specialist, AFTS1

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