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The World Bank

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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(TF-23724)

ON A

GRANT

IN THE AMOUNT OF SDR 6.0 MILLION
(US\$ 7.92 MILLION EQUIVALENT)

TO THE

REPUBLIC OF SOUTH AFRICA

FOR A

MALOTI-DRAKENSBERG TRANSFRONTIER CONSERVATION AND
DEVELOPMENT PROJECT

June 29, 2010

Environment and Natural Resource Management Unit - AFTEN
Southern Africa 1, South Africa, Botswana, Lesotho, Namibia, Swaziland - AFCS1
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective Oct. 24, 2009)

Currency Unit = ZAR

ZAR 1.00 = US\$0.139

US\$1.00 = Rand 7.563

FISCAL YEAR

April 1 – March 31

ABBREVIATIONS AND ACRONYMS

BP	Business Plans
BSC	Bilateral Steering Committee
CAS	Country Assistance Strategy
CCF	Community Conservation Forum
CDP	Concept Development Plans
COP	Conference of Parties
CPS	Country Partnership Strategy
DEA	Department of Environmental Affairs
DEAT	Department of Environmental Affairs and Tourism
DWAF	Department of Water Affairs and Forestry
EC-	Eastern Cape Department of Economic Development and Environmental
DEDEA	Affairs
ECP	Eastern Cape Parks
EKZNW	Ezemvelo KwaZulu-Natal Wildlife
FMC	Financial Management Committees
FS-	Free State Department of Tourism, Environment and Economic Affairs
DTEEA	
GEF	Global Environment Facility
GEO	Global Environment Objective
GIS	Global Information System
ICR	Implementation Completion and Results Report
IMP	Integrated Management Plans
JBCC	Joint Bilateral Commission on Cooperation
KZN	KwaZulu-Natal
KZN-	KZN Department of Agriculture, Environment and Rural Development
DAERD	
MDTP	Maloti-Drakensberg Transfrontier Conservation and Development Project
METT	Management Effectiveness Tracking Tool
MoU	Memorandum of Understanding
MTEC	Ministry of Tourism, Environment and Culture (of Lesotho)
NR	Nature Reserve
NRM	Natural Resource Management
PA	Protected Area
PAD	Project Appraisal Document

PCC	Project Coordination Committee
PCU	Project Coordination Unit
PDO	Project Development Objective
PES	Payment for Eco-services
PIP	Project Implementation Plan
RSA	Republic of South Africa
SADC	Southern Africa Development Community
SANParks	South African National Parks
SAHRA	South African Heritage Resources Agency
SLM	Sustainable Land Management
TFCA	Transfrontier Conservation Agreements
TFP	Transfrontier Park
WWF	World Wide Fund for Nature

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REPUBLIC OF SOUTH AFRICA
Maloti-Drakensberg Transfrontier Conservation and Development Project

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A. Basic Information			
Country:	South Africa	Project Name:	Maloti-Drakensberg Transfrontier Conservation and Development Project
Project ID:	P052368	L/C/TF Number(s):	TF-23724
ICR Date:	06/29/2010	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	REPUBLIC OF SOUTH AFRICA
Original Total Commitment:	USD 7.9M	Disbursed Amount:	USD 7.7M
Revised Amount:	USD 7.7M		
Environmental Category: B		Global Focal Area: B	
Implementing Agencies: EKZN Wildlife Services			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	04/28/1999	Effectiveness:	11/26/2002	11/27/2002
Appraisal:	01/10/2000	Restructuring(s):		
Approval:	09/13/2001	Mid-term Review:	08/27/2005	08/01/2005
		Closing:	12/31/2007	12/31/2009

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Global Environment Outcome	Moderate
Bank Performance:	Moderately Unsatisfactory
Borrower Performance:	Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Unsatisfactory	Government:	Satisfactory
Quality of Supervision:	Moderately Unsatisfactory	Implementing Agency/Agencies:	Satisfactory
Overall Bank Performance:	Moderately Unsatisfactory	Overall Borrower Performance:	Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	Moderately Unsatisfactory
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
GEO rating before Closing/Inactive status	Satisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
Forestry	40	10
General agriculture, fishing and forestry sector	10	40
General public administration sector	20	20
Other industry	10	20
Other social services	20	10

Theme Code (as % of total Bank financing)		
Biodiversity	20	20
Export development and competitiveness	20	
Land administration and management	20	30
Other environment and natural resources management		30
Participation and civic engagement	20	10
Rural non-farm income generation	20	10

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Obiageli Katryn Ezekwesili	Callisto E. Madavo
Country Director:	Ruth Kagia	Fayez S. Omar
Sector Manager:	Idah Z. Pswarayi-Riddihough	Agnes I. Kiss
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ICR Team Leader:	Frauke Jungbluth	
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F. Results Framework Analysis

Global Environment Objectives (GEO) and Key Indicators(as approved)

1. To conserve this globally significant biodiversity of the Maloti-Drakensberg Mountains
2. To contribute to community development through income generation from nature-based tourism.

Revised Global Environment Objectives (as approved by original approving authority) and Key Indicators and reasons/justifications

(a) GEO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Lesotho and South Africa develop and approve transfrontier conservation and development framework			
Value (Quantitative or Qualitative)	No Framework in place	Transfrontier conservation and development framework approved by the two countries and under implementation.		The 20 year transfrontier strategy has been approved and a bilateral MoU signed committing both countries to the implementation of the strategy. Implementation of the first 5 year action plan ongoing.
Date achieved	09/13/2002	12/30/2008		11/15/2009
Comments (incl. % achievement)	100% achieved - transfrontier mechanisms in place			
Indicator 2 :	Stakeholders work together to realize nature based tourism opportunities			
Value (Quantitative or Qualitative)	No joint strategy exist between the two countries	Transfrontier eco-tourism strategy designed and implemented.		The overall tourism strategy is completed and a publication has been produced showcasing the Maloti-Drakensberg region.
Date achieved	09/13/2002	12/30/2008		03/11/2009
Comments (incl. % achievement)	Target has been achieved. However, tourism in South Africa was already quite developed with marginal scope for further development - the project therefore engaged in a PES system which is not yet achieved to make fully operational.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Transfrontier conservation area identified and implemented with Lesotho (UKhahlamba and Sehlabathebe Parks)			
Value (Quantitative or Qualitative)	No formal institutional arrangements in place or operational	Formal institutional arrangements operational to implement a transfrontier conservation and development strategy.		The joint Maloti-Drakensberg transfrontier park has been established and is overseen by a joint management committee established in 2005 and meeting regularly.
Date achieved	09/13/2002	12/30/2008		05/23/2008
Comments (incl. % achievement)	Target has been achieved.			
Indicator 2 :	Conservation plan for RSA completed to conserve globally significant biodiversity in the Drakensberg bioregion.			
Value (Quantitative or Qualitative)	Very broad initial transfrontier plan exists between the 2 countries and basic institutions and legal framework to implement the plans in South Africa.	20 year transfrontier conservation and development strategy completed and under implementation supported by integrated development planning in transfrontier area.		The 20 year Conservation and Development Strategy for the Maloti-Drakensberg Transfrontier Conservation Area has been completed and endorsed.
Date achieved	09/13/2002	12/30/2008		11/15/2008
Comments (incl. % achievement)	Target has been achieved.			
Indicator 3 :	Protected area management plans completed for six protected areas.			
Value (Quantitative or Qualitative)	No proper management plans for the 6 parks in the area exist.	6 management plans exist for the protected areas.		Integrated management plans completed for six protected areas finalized with some still in the official approval process but already being used.
Date achieved	09/13/2002	12/30/2008		12/15/2009
Comments (incl. % achievement)	Target achieved.			

Indicator 4 :	Conservation management plans implemented.			
Value (Quantitative or Qualitative)	Relatively well developed conservation programs in the 6 parks but backlogs in infrastructure and management being quantified by management plans.	\$20 million, 1768 temp jobs, 4 SME's		Over \$17 million reported committed and being invested in park infrastructure over 18 month period Over 7000 temporary jobs created .
Date achieved	09/13/2002	12/30/2008		03/15/2009
Comments (incl. % achievement)	Target achieved.			
Indicator 5 :	Conservation management outside of protected areas implemented in 15 community projects.			
Value (Quantitative or Qualitative)	Community conservation program not operating effectively.	15 community conservation programs designed and effective with conservation area increased by 150,000ha.		Project engaged in various activities of conservation management including community and field ranger training, direct support to selected communities, community liaison mechanisms, grazing and fire control best practice guidelines.
Date achieved	09/13/2002	12/30/2008		12/15/2009
Comments (incl. % achievement)	Targets not fully achieved, however indicator and project activities not well aligned.			
Indicator 6 :	Community involvement effective in 15 pilot project areas.			
Value (Quantitative or Qualitative)	Community conservation programs poorly developed.	Community awareness program established and piloted with community conservation programs operating in 15 localities.		Workshops and training programs in community conservation have been rolled out for communities surrounding 7 nature reserves.
Date achieved	09/13/2002	12/30/2008		03/11/2009
Comments (incl. % achievement)	Original target will not fully achieved - project focus was adjusted.			
Indicator 7 :	Nature based tourism strategy developed and implemented with Lesotho.			
Value (Quantitative or Qualitative)	The South Africa project area has a sophisticated and successful tourism economy but with little overlap to Lesotho	Tourism strategy with Lesotho developed and implemented; Payment for ecosystem services framework developed and piloted.		A joint tourism strategy for the two countries is in place. Maloti-Drakensberg route rebranded. Payment for ecosystem services piloted and now to be rolled out.

Date achieved	09/13/2002	12/30/2008		12/15/2009
Comments (incl. % achievement)	Target largely achieved.			
Indicator 8 :	Institutional development of the four conservation agencies enables them to implement the transfrontier plan.			
Value (Quantitative or Qualitative)	Little cooperation between agencies.	All 4 executing agencies actively implementing the transfrontier conservation and development strategy.		South African program now comprises eight implementing agencies - interagency MoU signed including funding for the future MDTP program.
Date achieved	09/13/2002	12/30/2008		12/15/2009
Comments (incl. % achievement)	Target achieved.			

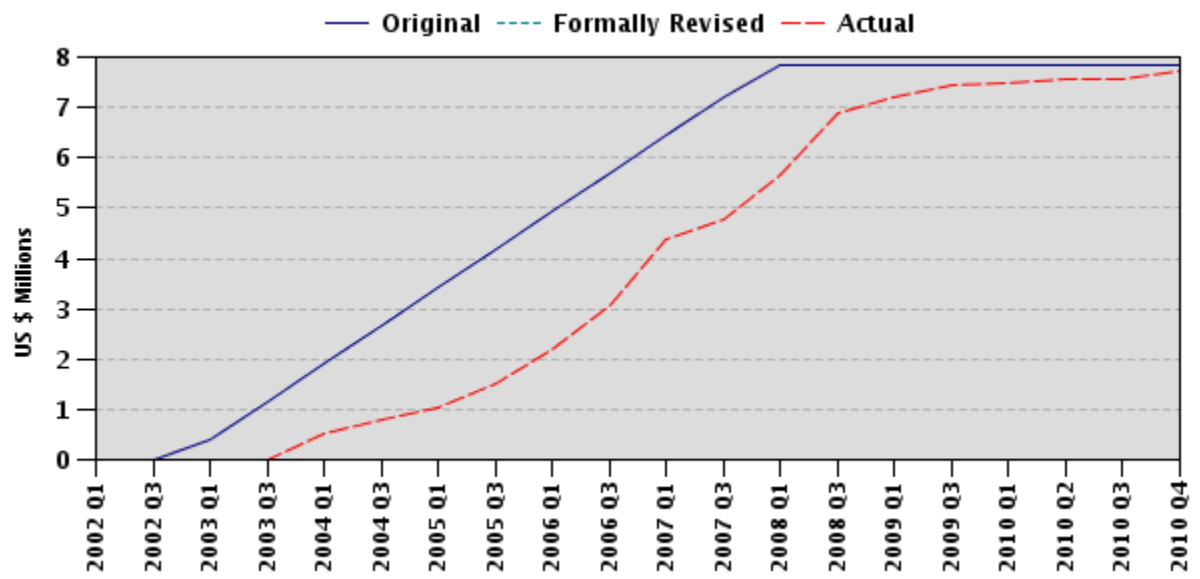
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	GEO	IP	Actual Disbursements (USD millions)
1	03/08/2002	Satisfactory	Satisfactory	0.00
2	02/12/2003	Satisfactory	Satisfactory	0.00
3	04/17/2003	Satisfactory	Satisfactory	0.00
4	11/25/2003	Satisfactory	Satisfactory	0.50
5	05/12/2004	Satisfactory	Satisfactory	0.79
6	11/22/2004	Satisfactory	Satisfactory	1.02
7	06/29/2005	Moderately Satisfactory	Satisfactory	1.72
8	12/01/2005	Moderately Satisfactory	Moderately Satisfactory	2.66
9	06/28/2006	Moderately Satisfactory	Moderately Satisfactory	3.74
10	12/01/2006	Moderately Satisfactory	Moderately Satisfactory	4.50
11	03/20/2007	Satisfactory	Satisfactory	4.76
12	12/14/2007	Satisfactory	Satisfactory	6.42
13	07/09/2008	Satisfactory	Satisfactory	7.07
14	12/15/2008	Satisfactory	Satisfactory	7.19
15	04/10/2009	Satisfactory	Satisfactory	7.40
16	10/02/2009	Satisfactory	Satisfactory	7.46
17	12/14/2009	Satisfactory	Satisfactory	7.55

H. Restructuring (if any)

Not Applicable

I. Disbursement Profile



1. Project Context, Global Environment Objectives and Design

1.1 Context at Appraisal

The background of the project was a long-term collaborative initiative between the Republic of South Africa (RSA) and the Kingdom of Lesotho (Lesotho) to protect the exceptional biodiversity of the Drakensberg and Maloti mountains through conservation, sustainable resource use, and land-use and development planning. The Maloti-Drakensberg Mountains are situated along the 300 km eastern boundary of the Kingdom of Lesotho with the RSA. This area encompasses distinct landscape and biological diversity. It is rich in species and high in endemism. However, excessive livestock grazing, crop cultivation on steep slopes, uncontrolled burning, alien invading species and human encroachment threatened this asset.

The project was consistent with the GEF Operational Strategy for Biodiversity Conservation and specifically with O.P.4 (Mountain Ecosystems). The area is located within one of the 200 Global Ecoregions proposed by World Wide Fund for Nature (WWF); it has been designated as an Afromontane Regional Center of Endemism. The uKhahlamba-Drakensberg Park has been listed as a Wetland of International Importance under the Ramsar Convention, and a substantial part of the project area was proposed as a UNESCO World Heritage Site and Peace Park.

The project was consistent with 'Conference of Parties' (COP) guidance to encourage conservation and sustainable use of threatened habitats and endemic species within a vulnerable montane ecosystem. It responded to COP3 and COP4 guidance through capacity building for sustainable rangeland management. It fostered the ecosystem approach by promoting improved management and sustainable use across national boundaries and an altitudinal gradient of montane habitats under different management regimes, from protected areas to community rangelands. The project further responded to COP4 guidance by promoting incentive measures and community involvement in biodiversity management specifically to attain conservation objectives. It was expected that conservation co-management initiatives developed for the project area will prove relevant to other protected areas and community lands elsewhere. The project was designed to support new and innovative institutional measures to promote regional cooperation and exchange of expertise and to encourage sustainable livelihoods consistent with both biodiversity conservation and poverty alleviation with a particular emphasis on sustainable tourism. By building capacity for community conservation programs and alternative livelihoods based on nature-related tourism the project promoted more equitable sharing of benefits derived from biodiversity conservation and sustainable use.

While the ecosystem showed similarities on both sides of the border, there were considerable legal, social, institutional and economic differences between the two countries, which the project design recognized. Hence, a decision was made to design two separate projects following a common objective rather than implementing one project jointly by both countries.

For South Africa the primary rationale of the Bank's assistance was to help reduce the apartheid legacy of poverty and inequality. The Bank's work was guided by three subsidiary objectives: (i) promoting growth and higher employment; (ii) social and environmental sustainability; and (iii) regional development. The project was expected to contribute to the first by helping to capture the economic potential of nature-based tourism, thereby creating jobs of which many will require little formal schooling. Through active involvement of local communities, it was also expected to contribute to break down traditional barriers of inequality and exclusion. The link to the second objective was seen, in that environmental sustainability rests on the wise utilization of natural

resources. As one of the most biodiversity-rich countries on earth, South Africa also has a global contribution to make in this respect. The project was expected to contribute to the third CAS objective by furthering collaboration between Lesotho and South Africa in the field of nature conservation and tourism. It would engender positive collaboration between the two countries; enable shared learning and facilitate the process of harvesting joint opportunities, e.g. by creating a regional tourism destination.

1.2 Original Global Environment Objectives (GEO) and Key Indicators (*as approved*)

The primary GEF objective was to conserve this globally significant biodiversity of the Maloti-Drakensberg Mountains. The secondary objective of the project was to contribute to community development through income generation from nature-based tourism.

The five key outcomes were:

- a) Globally significant biodiversity maintained and enhanced through protection for key habitats and indicator species.
- b) Expanded protected areas system in place with adequate buffer zones and community involvement.
- c) Sehlabathebe National Park in Lesotho formally established and conservation management and development plan agreed and under implementation (applicable in Lesotho only);
- d) Community initiatives in nature-based conservation financially viable and benefit transfers working; and
- e) Joint declaration by the Government of Lesotho and South Africa of a transfrontier conservation area incorporating Sehlabathebe National Park, the uKhahlamba-Drakensberg Park, and additional areas as appropriate.

1.3 Revised GEO (*as approved by original approving authority*) and Key Indicators, and reasons/justification

A revision of the original objective related to community development through income generation from tourism was discussed during project implementation with the intention to widen the scope towards the development of general livelihood opportunities and initiatives. This was seen against the background of an already highly developed tourism industry in South Africa. However, the original objective and indicators were not formally revised or adjusted and remained valid throughout the project.

1.4 Main Beneficiaries

The project was designed to target local communities as major beneficiaries. Benefit transfer schemes were designed, so that a part of the increased tourism revenue would flow to surrounding communities. Nature-based tourism development was intended to benefit those directly employed in a diverse service industry as guides, hotel and restaurant employees, drivers, tourism agents, makers and vendors of crafts and so on, and those indirectly engaged in supplying the tourism industry with its goods and equipment. The conservation of globally significant biodiversity was expected to benefit everyone concerned with the preservation of the natural heritage, in line with GEF objectives. These would include international and national visitors to the conserved areas to enjoy recreational and aesthetic use-values, while non-users would derive option and existence value from their conservation. It was also expected that the project would generate insights into successful models of community-based biodiversity conservation, which could be replicated in other NRM projects, and hence benefit other target communities.

1.5 Original Components

Component 1 – Project Management and Transfrontier Cooperation: The component's objective was to establish strong bilateral coordination mechanisms to support the ecosystem management approach in the Maloti-Drakensberg area. A bilateral Steering Committee had been established for this purpose. A bilateral Memorandum of Understanding (MoU) was intended to define the parameters of cooperation. The project planned to provide funding for: (i) a bilateral collaboration forum; (ii) national Project Coordination Committees (PCCs); (iii) coordination offices in the Republic of South Africa (RSA) and Lesotho with full-time coordination, financial management and procurement staff (PCUs); (iv) Financial Management Committees (FMCs) attached to these Units; (v) joint technical working groups to develop and implement action plans to focus on topics and issues of common interest; (vi) joint workshops to present results and achieve consensus work plans; (vii) communication linkages, including a GIS-based Knowledge Management system served by trained staff; and (viii) joint management activities related to fire protection, rescue service, staff training and nature-based tourism such as marketing, booking and visitor planning.

Component 2 – Conservation Planning: The component's objective was to build capacity for transfrontier conservation and development and allow for adequate planning, zoning, protection and management. A vision and strategy were to be prepared following stakeholder consultation and with the involvement of the relevant authorities on both sides of the border. Conceptual proposals for compatible land-use zoning derived in the preparatory phase needed to be negotiated and action plans needed to be prepared for implementation. This implied conservation planning at the landscape level, and was designed to be facilitated by appropriate professionals, and with the full involvement of the staff of the respective ministries and departments in both countries. It was intended to harmonize the approaches and activities of the major nature conservation management agencies and to establish a professional support team for biodiversity conservation maintaining effectiveness beyond the project lifetime, including the continuation of employment of specialist staff.

Component 3 – Protected Area Planning: The component's objective was to prepare detailed plans for existing protected areas and proposed conservation areas. Planning was to be carried out in phases, beginning with the overall development and zoning plans for each area, then preparing detailed management programs and finally addressing business planning and sustainability.

Component 4 – Conservation Management in existing Protected Areas: The component's objective was to develop strategies to intervene and address continuing threats and residual impacts to protected areas (alien plant infestation, soil erosion, inappropriate fire management regimes, inadequate security, over-grazing, poor waste management and poor management of cultural resources).

Component 5 – Conservation Management outside of Protected Areas: The component's objective was to improve conservation of natural resources on communal lands and promote sustainable use for range management areas. Within new community conservation areas, the community conservation program was planned to draw on local expertise and employment to build capacity to implement similar conservation measures to those envisaged in Component 4, but focusing mainly on range management and the rationalization and rehabilitation of eroded tracks and paths. In KwaZulu-Natal, in addition to range management, substantial effort was to be placed on the eradication of alien plants in the Upper Thukela area. Cultural heritage management was part of this component. The Project was envisaged to provide incremental financing to develop teaching materials and displays, restoration of sites and selective development to attract visitors, staff training and community education related to cultural heritage, particularly rock art.

Component 6 – Community Involvement: The component's objective was to enhance community involvement in the other components of the project by promoting stakeholder collaboration, ownership and responsibility for decisions and activities related to the project. The component was to build on the experience with community conservation programs in KwaZulu-Natal.

Component 7 – Nature-based Tourism: The component's objective was to promote local economic development through ecotourism to assure increased commitment to conservation. This was to be achieved through empowerment, development of tourism attractions and products, and marketing and investment strategies.

Component 8 – Institutional Development: The component's objective was to assure sustainability of other results by providing for an adequate institutional structure to inherit and maintain them.

1.6 Revised Components

Project components remained unchanged during implementation. However, as a result of experiences with the implementation of component 4 and 5 the implementing agency merged both components into a joint Conservation Management Within and Outside Protected Areas component. The large number of eight components made implementation of this Project very complex to implement, however, a simplification was never formalized.

1.7 Other significant changes

The design, scope, and implementation arrangements remained largely unchanged. The Project was affected by delays and cost changes. The Project was approved by the Bank Board in September 2001 and became effective only in November 2002 mainly due to a number of effectiveness conditions, which could not be met in-time. Weaknesses in managing procurement activities added delays during implementation and the project's closing date needed to be extended twice from December 31, 2007 to Dec. 31, 2008 and finally to December 31, 2009.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

The project identification coincided with an intensive phase of collaborative efforts between Lesotho and the RSA in the highlands water sector, and the designers captured this unique window of opportunity to extend this cooperation into the joint nature and biodiversity conservation efforts for the globally important Maloti-Drakensberg transfrontier region. This project was complementary and supportive to this on-going political environment. At the same time the Bank's rural portfolio was increasingly being driven by interests in community participation, and so this interest contributed to the concepts underlying participatory protected area management planning and involvement of local communities. The strategy was to achieve conservation through the recognition that biodiversity has a direct value and its conservation can only be achieved, when local communities participate and benefit from some of the generated value (e.g. thorough eco-tourism). The designers successfully captured these developments in an innovative project concept.

At the preparation and appraisal stage the project had been planned and designed as one single project to be jointly implemented by Lesotho and the RSA. A realistic assessment of policy and institutional aspects resulted in a decision to separate the implementation into two individual projects to be implemented in parallel. In hindsight this turned out to be an important decision

with far-reaching positive implications for national ownership. The differences in size and level of development would have otherwise posed major implementation challenges. However, when the decision was made, the designers failed to adjust the project documentation accordingly resulting in significant inconsistencies in the design documents and confusion during implementation. For example the project costs and list of activities presented in the appraisal document combine both projects and the log-frame shows the combined figures, rather than by country. The grant agreement was similarly affected by some false assumptions, since it was based on the same combined log-frame for both countries.

The large number of components created significant complexity. Many project activities could not be logically assigned to specific components. Cost tables with clearly specified and costed activities under each component were not made available to the implementers. The preparation of a practical Project Implementation Plan (PIP) was delayed and the PIP finally produced was of limited help to the implementers.

Due to these design shortcomings the quality at entry is rated as moderately unsatisfactory despite the appropriate judgment of the favorable political environment at identification stage and the conceptual innovation, which helped to overcome some design.

2.2 Implementation

Several important project preparation and design tasks were made effectiveness conditions or were pushed into the early implementation stage including the preparation of a detailed PIP; final agreement on a log-frame; the preparation of an M&E framework; and the establishment of a Project Coordination Unit (PCU). While this is not uncommon in Bank lending, this proved risky due to the complex counterpart situation in RSA and lack of funding available to finish preparation works. With no PCU in place at the time of project appraisal the responsible parties to carry out these tasks were not identified. A delay of about 20 months between appraisal and Board approval and another 14 months between Board approval and project effectiveness was thus not surprising. During early implementation significant efforts were made to finalize the design, revise project indicators and targets, the log-frame and the contents and structure of components. However, no final agreement on a clarified design was reached. A mid-term review carried out in 2005 largely ignored these discussions and restructuring which would have benefited the project was not carried out.

Apparently right from the beginning of project implementation different views were discussed between the implementing agencies and the Bank team about the project design and objectives with several design changes accepted by Bank supervision missions in a piecemeal approach. Concluding from this process it must be assumed that the appraised design was either already outdated or not fully agreed with the recipient Government and implementing agency. To cope with the differences and shortcomings in the design an ad-hoc decision making and management process was applied under the project. Over time the national steering committee, different participating agencies and the PCU identified priorities and activities for the individual components, which finally resulted in a partial redesign of the project. The original eco-tourism and community activities proved inappropriate in the South African context and were replaced by supporting the stewardship program and a Payment for Ecosystem Services (PES) as a new benefit transfer mechanism. Local security issues related to cattle stealing, drug smuggling and tourists' safety were identified as a key risk to conservation and economic development leading to the establishment of the bilateral security working group. In this situation the technical strength and conceptual thinking of the implementing agencies and their experience and conviction to do the right thing at the right time were success factors during this stage of project implementation. However, the project implementation was nevertheless affected by an apparent lack of a

consistent design framework. This caused not only delays in the implementation of key activities but important opportunities were also lost regarding: (a) better integration of project activities; (b) better balance between conservation and development as aimed for by the two project objectives; and (c) better balance between planning on one hand and implementation of plans delivering tangible outputs on the other hand.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

The Project was approved prior to the Bank's introduction of the Results Framework format. The log-frame of the Project failed to provide a concise design tool with clearly defined outcomes, indicators and measurable targets, which could have, in combination with an effective monitoring and evaluation system, supported management decisions. The project design did not include an M&E plan. The PAD stated that Component 1 (Project Management and Transfrontier Cooperation) would address M&E through a six-monthly review of results. A short section on M&E in the PIP referred to five key development impact indicators pointing out that "a major task of the initiation phase will be the formalization of the logical framework of the project, including all activities and the measurable indicators of performance". Following the mid-term review a revised Results Framework was produced, showing revised targets. These revisions were never formally endorsed by the Bank in a restructured project.

The Key Indicators outlined at appraisal were in many respects highly ambitious (not atypical for GEF operations at the time). No baselines were identified at appraisal. Several of the Key Indicators were extremely difficult to measure in the first place, and required systematic data collection. For example, it was highly unlikely that changes in maintaining endemic species or viable populations of threatened species (meaning changes in species endemism and size of populations of species) were likely to be evident over the relatively short life of such project, and the suggestion that this should be Key Indicators was entirely unrealistic.

A significant innovation in performance monitoring was introduced during implementation. The so-called Protected Area Management Effectiveness Tracking Tool (METT) was originally designed by the Bank to meet GEF's own concerns about performance monitoring. The METT was designed to assess performance at the site-level against 6 criteria for protected area management effectiveness identified by the World Commission on Protected Areas. The results from the METT for eight PAs are summarized in Annex 9. For the purpose of internal management the assessment tool was slightly modified and is used on a regular basis as a self-assessment tool. Baselines have been established at all replication sites only after mid-term. However, despite the short observation period the METT clearly confirms that protected area management effectiveness has significantly improved as a result of the project in all but one PA. Only the uMngeni Vlei Nature Reserve, which scored highest among all areas in the initial assessment, shows a slight reduction of 2.8% in scoring, while all other PAs score higher with the most significant improvement of 30% in the Matatiele Nature Reserve.

2.4 Safeguard and Fiduciary Compliance

The project designers took a cautious approach by triggering a wide range of safeguard policies, and the project was classified as a Category B. However, as the nature of the Project was to enhance environmental quality and protect natural habitats and cultural heritage in the project area, the entire project was expected to have supportive and significant positive effect in all of these areas. In addition the full participation of local communities and specific benefit transfer mechanisms was a crucial design element and was based on community consultations and a social assessment. OP 4.36 (Forestry) and OP 4.09 (Pest Management) were triggered due to the project's activities related to the clearing of invasive species in some areas. The use of pesticides for the clearing of invasive species was guided by national standards. While these national

standards were considered satisfactory at appraisal, the lack of a formal pest management plan following OP 4.09 posed a safeguard risk but was only stopped in the last year of project implementation. Potential incidences of people's livelihoods affected by project activities (e.g. restriction of grazing in Qwa Qwa Nature Reserve or the reported land claim for the Matatiele Nature Reserve) should have triggered resettlement plans. No corresponding records could be found by the ICR team.

Procurement was affected by low local capacity, difficulties to appoint a local procurement officer and insufficient training leading to delays and a case of mis-procurement. Financial management was affected by a lack of clearly identified and costed project activities by components at the design stage. This made appropriate reporting of the use of funds against the designed activities and costs impossible and affected management decisions and fund management throughout project implementation. Regular audits were carried out indicating that there were no cases of fraudulence in the use of funds.

2.5 Post-completion Operation/Next Phase

Through a bilateral MoU, the Governments of South Africa and Lesotho are committed to continue conservation and development operations in the Maloti-Drakensberg region through implementation of a 20-year transfrontier conservation and development strategy developed under Component 2 of the MDTP. At a national level, the signing of a revised Inter-Agency MoU is one of the most important demonstrations by RSA agencies to their commitment to the continuation of MDTP in a second phase. This agreement originally signed between the South African National Parks (SANParks), the Ezemvelo KZN Wildlife (EKZNW), the Free State Department of Tourism, Environment and Economic Affairs (FS-DTEEA) and the Eastern Cape Department of Economic Development and Environmental Affairs (EC-DEDEA) is now joined by three additional agencies: the South African Heritage Resources Agency (SAHRA), KZN Department of Agriculture, Environment and Rural Development (KZN-DAERD) and the Eastern Cape Parks (ECP). While these agencies are committed to provide support and funding for the continuation of the project, at the time of the ICR not all agencies had released their financial contributions for the next five years. However this is considered a temporary problem linked to the local budgetary process and not a threat to sustainability. One of the key requirements for phase II as stipulated in the Bilateral MoU between RSA and Lesotho is the continuation with the national Project Coordination Unit arrangements. On the RSA side a coordination unit is in place with a coordinator assigned and recruitment of two other professional staff for tourism development and biodiversity nearly finished. Unfortunately on the Lesotho side both funding and the establishment of a secretariat is less clear. The RSA PCC chair (co-chair of BSC) has made a commitment to play an active role ensuring that coordination mechanisms in Lesotho are maintained at appropriate levels at all times.

Other project activities such as implementation of the security strategy through the Bilateral Security Working Group are well established. The working group which meets quarterly has proved to be one of the most enthusiastic groups setting its meetings a year in advance with good attendance to the meetings.

The management and business plans for the PAs are well received living documents and provide a solid basis for the management of all project parks. Some of these management plans are not yet signed by the respective government departments accounting for a difficult bureaucratic process, but this has not affected implementation.

The management system for the Maloti Drakensberg Transfrontier Park (TFP) linking Sehlabathebe National Park in Lesotho and the UKhahlamba Drakensberg Park World Heritage

Site in South Africa is well established. At the 12th BSC meeting in November 2007 a Joint Management Plan for the TFP was adopted and formal recognition within the ambit of the Bilateral MoU was granted. The transfrontier Park is run by a Joint Management Committee composed of representatives from EKZNW of RSA and the Ministry of Tourism, Environment and Culture (MTEC) of Lesotho. The committee meets quarterly on a rotational basis for meetings between the two countries.

One potential far reaching outcomes of the project is the process, which was launched related to the Payment for Ecosystem Services (PES). The Project has generated an important momentum within key stakeholders who participated in the development of the model, primarily the Department of Water Affairs and Forestry (DWAF) as a main custodian of the legal framework necessary to accommodate implementation. Proof of their interest and commitment is that DWAF provided additional funding to the study and indicated they are already incorporating some of the study findings into their water pricing policies. On the other hand EKZNW is currently developing a proposal for fundraising and benefit transfer mechanisms for the implementation of PES schemes. The legal and institutional system in RSA is supportive for a PES scheme as the National Water Act makes provision for levies to be charged for catchment management.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

The project has made a substantial contribution to natural resources protection and biodiversity conservation in RSA and has helped to raise public awareness and understanding of the importance of nature conservation as well as improved national and bilateral institutional capacity and cooperation between RSA and Lesotho. The project's global objectives, design components and implementation activities remained fully consistent with global, regional and national conservation and management priorities. The Project reflected strategic objectives and activities identified in the Bank's Country Assistance Strategy (CAS) at the time of preparation and remained highly relevant for the actual Country Partnership Strategy (CPS) priorities for the period 2008-2012 with regard to: (i) environment and natural resource management; (ii) eradication of poverty; (iii) overcoming the legacy of the apartheid regime and the reduction of inequality in South Africa and the region; and (iv) increasing the capacity and efficiency for public service delivery. The project supported in particular the second pillar of the current CPS to improve regional integration, sharing knowledge and building regional communities among the Southern African Development Community (SADC).

3.2 Achievement of Global Environmental Objectives

The Project objectives were both ambitious and optimistic about what could be achieved by a five-year project; however, both of the original objectives were and remained relevant throughout the Project. The appraisal design envisaged a project in which there would be a mixture of planning, gazetting of additional protected areas, nature-based tourism development and implementation of management on the ground. However, the project implementers in RSA considered that the outputs of the design were outdated and impractical in South Africa, and that this required consequential changes in activities and tasks. They concluded that the most effective way of meeting the project objectives, of conserving the globally significant biodiversity in the Maloti Drakensberg Mountains and realizing nature based (economic) development opportunities, was to emphasize the planning components and produce a planning process and associated procedures which could be implemented by the partner institutions. Given the relative strength of South African conservation agencies which are considered to be some of the strongest on the continent and the fact that the tourism industry was already quite advanced calling for new ways

of benefit transfer mechanisms, this approach was a reasonable choice with a good chance of achieving a much more profound and sustainable outcome from this project. In fact the project has largely achieved this outcome by putting in place: (i) a functioning *transfrontier conservation mechanism* for the Maloti Drakensberg area together with Lesotho; (ii) an improved *conservation management system* for a significant number of protected areas in and around the Maloti Drakensberg and for selected non-protected areas outside existing protected areas; and (iii) the foundation for a far-reaching *benefit transfer schemes* through PES.

Transfrontier Conservation Mechanism: At project completion the cooperation between RSA and Lesotho was well established; bilateral cooperation between both countries was in place as evidenced through signing of the revised bilateral MoU and regular meetings of the Bilateral Steering Committee, the Security Working Group and the Management Committee of the joint uKhahlamba Drakensberg and Sehlabathebe National Park. A bilateral security strategy was implemented to address cross border crimes. This strategy will continue to be implemented by a security working group consisting of members of security forces and conservation agencies from both countries.

The implementation of an overarching 20-year conservation and development strategy has started and is linked to national and SADC policies developed during the lifetime of the project. The strategy will be implemented through 5-year action plans until the year 2028 of which the first has commenced. Following a biodiversity based sensitivity analysis completed in 2006, the project area has been increased from 13,000 km² to cover 24,306 km² (planning domain) with zoning into eight biodiversity implementation areas and a biodiversity and cultural heritage conservation guiding mechanism put in place. Biodiversity and cultural heritage assessments on both sides of the border, with development of the accompanying conservation strategies provide important guidance in securing the natural and cultural heritage of the Maloti Drakensberg Area.

Improved conservation management system is built on four pillars: Firstly, the Project introduced a Systematic Conservation Planning process supported by a number information layers to develop a long-term management framework for the Maloti Drakensberg conservation area. The various information layers included vegetation mapping, forests assessments, herpetofaunal data, small mammal survey information and socio-economic information, among other information layers. Secondly, for nine PAs covering a total of over 310,000 ha the project developed Integrated Management Plans (IMP), Concept Development Plans (CDP), and Business Plans (BP). This process has not yet been fully completed; however, this management system has notably improved conservation of the globally significant biodiversity of the Maloti-Drakensberg Mountains. Thirdly, trans-park conservation management and protection efforts were undertaken such as the development and implementation of the joint vulture management plan with an ongoing monitoring program undertaken by a vultures task force chaired by EKZNW. This group monitors threats to bearded and Cape vultures in the MDTP area. And fourthly, communities outside the established parks have been integrated in concerted conservation efforts by supporting established conservancies and local groups outside the established parks. These groups have been trained in protection and conservation measures and were engaged in eradication of alien species.

While there are no quantitative data available and the timeframe would also be too short to measure the direct impact on biodiversity, the METT is used as an assessment tool to quantify the indirect improvements in the biodiversity conservation. The results of this analysis show encouraging improvements in management effectiveness for most PAs over a relatively short observation period of only 4-5 years (see also Annex 9). The two PAs with international (uKhahlamba Drakensberg Park World Heritage Site) and national status (Golden Gate Highlands National Park) for example have improved their performance by more than 6% and 9%

respectively. Two provincial Nature Reserves, Malekgalonyane (Ongeluksnek) NR and Matatiele NR have even improved their performance by over 17% and 29% respectively. This improvement can be directly attributed to project interventions. However, it is also noticeable that three provincial PAs, namely Sterkfontein Dam Nature Reserve, Coleford NR and uMngeni Vlei Nature Reserve could only marginally improve or even slightly decreased in effectiveness. The examples of these provincial NRs show that without an improvement of financial and human resources performance improvements are difficult.

Significant additional conservation outcomes beyond appraisal expectation and with implications reaching far beyond the project areas have been achieved through the development and implementation of best practice guidelines for fire and grazing management. The Project's best practice guidelines have been developed with involvement from a large number of stakeholders and are widely adopted for natural grassland management all over South Africa with a good chance to become recommended tools even outside the country. Again it is difficult to quantify the impact, but best practice fire and grazing management has not only a significant impact on biodiversity conservation, but has also far reaching benefits on carbon storage and watershed management. South African grasslands with their organic subsurface carbon accumulation are a major deposit of sequestered carbon. At the same time these grassland areas constitute the region's most important storage and supply of fresh water of unquantifiable value.

Benefit transfer schemes: The project implementers found that an exclusive focus on income generation for local communities from eco-tourism was too narrow and not fully appropriate for the local situation. At appraisal, tourism in South Africa, unlike the situation in Lesotho, was already quite developed with marginal scope for further development and in addition growth in tourism is subject to economic risks as evidenced by the recent downturn due to the global financial crisis. In such situation a more rational and sustainable transfer of benefits was called for following methods introduced already in other countries and regions by direct Payments for Ecosystem Services (PES). Through intensive study work the Project has successfully launched a process of discussion and understanding among major stakeholders in South Africa about the benefits of paying communities in the Maloti-Drakensberg mountains for good land and water management. Unfortunately the Project has not reached a stage where actual transfer schemes are put in operation and concrete mechanisms for this are still under development. The Project was also not quite successful in using its transfrontier mechanism to get Lesotho on board in the PES discussions. Lesotho is a significant supplier of water for South Africa and provides significant eco-system services in its water catchment areas, and its participation in the system would be valuable.

3.3 Efficiency

A quantitative efficiency comparison is not applicable. The Project was a stand-alone GEF project with a GEF grant and counterpart funding from Government of RSA. At the time the Project was designed neither financial nor economic analyses were prepared. No standard cost benefit or cost effectiveness parameters were calculated, and would be extremely difficult to calculate ex-post. However, cost effectiveness was likely sub-optimal accounting for the delays and sub-optimal design of the project. Two years of extension have contributed to the high percentage of management costs of about 25% of the total investment costs.

3.4 Justification of Overall Outcome Rating¹

Rating: moderately satisfactory

While the processes and emphasis attached under the various components of the Project diverted to some extent from appraisal and design expectations, the Project has largely achieved its GEO and in some regards even exceeded expectations. The profound conservation managements systems put in place under the Project including both national as well as bilateral mechanisms provide a solid foundation for the biodiversity protection of the Maloti-Drakensberg Mountains and beyond. This was done in such a way that not only sustainability but further developments and protection management improvements are likely; -- a process has been set in motion. The second phase project entirely managed and financed by RSA local institutions is already well under implementation. With a better design the Project could have been more focused and gone a step further on the initiated benefit transfer mechanisms, which would also have improved cost effectiveness of the project. Balancing some of the significant achievements beyond appraisal expectations with the recognized shortcomings the overall project implementation is rated as **Moderately Satisfactory** accounting for the fact that the project was not formally revised and such rating is made against the original design expectations.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

The Project was not designed as a targeted poverty alleviation project. However, one of the design elements of the Project was to enable local communities to benefit from income generation activities around nature protection through the development of eco-tourism and through engagement in protection and conservation activities. The project implementers decided to shift emphasis towards much broader and more fundamental benefit transfer mechanism in PES schemes. While this has not yet resulted in actual transfer of funds, it has prepared the ground for such income generation.

From a gender perspective, project operations have mirrored national conditions in RSA. Women have been prominent in community related activities, and in training and institutional development under the Project, and have a significant voice in local and national decision-making.

(b) Institutional Change/Strengthening

South Africa's conservation agencies are regarded as the most advanced on the continent and are relatively resistant to institutional instability. However, increasing social, political and economic challenges put all land management agencies under increasing pressure. The Project has therefore invested in the institutional strengthening of all involved agencies. This has resulted in a strengthened cooperation between the national, regional and local agencies and improved their

¹ Outcome Definition: *the extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently.* The rating of Outcome should encompass the extent to which the operation's institutional objectives were achieved, or are expected to be achieved, efficiently. Shortcomings in the achievement of objectives may have to do with either the number of objectives that are not achieved (or are not expected to be achieved) and/or the extent to which one or more objectives are not achieved (or are not expected to be achieved).

Rating Scale Explanation: Highly Satisfactory-There were no shortcomings in the operation's achievement of its objectives, in its efficiency, or in its relevance. Satisfactory-There were minor shortcomings in the operation's achievement of its objectives, in its efficiency, or in its relevance. Moderately Satisfactory-There were moderate shortcomings in the operation's achievement of its objectives, in its efficiency, or in its relevance. Moderately Unsatisfactory-There were significant shortcomings in the operation's achievement of its objectives, in its efficiency, or in its relevance. Unsatisfactory-There were major shortcomings in the operation's achievement of its objectives, in its efficiency, or in its relevance. Highly Unsatisfactory-There were severe shortcomings in the operation's achievement of its objectives, in its efficiency, or in its relevance.

planning and monitoring capacity in PA management. Before the Project none of the PAs had operational management plans in place, which they are all in possession of now or are under adopting, with the corresponding human and financial resources for implementation. This resulted in significant improvements in management effectiveness for most PAs (Annex 9). Middle management benefited in particular from Project support and utilizes the management skills and tools provided under the Project. The new management systems work towards set objectives and targets, and identify risks and mitigation measures within each protected area, define roles and responsibilities, determine and promote best practices, reduce liabilities, help ensure legal compliance and provide a framework, which allows for regular monitoring and continual improvement.

Nature reserves staff received training in biodiversity monitoring techniques, management plan development and implementation, legislative framework, use of laboratory equipment, information technology, Geographical Information Systems and map interpretation, video and photo equipment, etc.

Nevertheless, the management of protected areas and their interaction with their immediate surroundings remains a challenge. Most agencies are working under increased budget constraints, while the Government is assigning them with new tasks related to: (i) the cultural heritage protection; (ii) the formation of community conservation areas, community involvement and benefit sharing in PAs; and (iii) communal biodiversity stewardship agreements, aiming to establish and maintain a range of sustainable land uses. Communal development activities are a complex challenge and require additional capacity meeting high expectations in terms of economic and financial returns.

(c) Other Unintended Outcomes and Impacts

An important unexpected outcome of the Project includes the development of new conservation instruments for formally protected and communal areas such as PES. The study work conducted under the Project as a collaborative effort between experts and a wide range of stakeholders explores potential environmental services (clean water, carbon sequestration and biodiversity) articulating the market partners perceptions and positions in such potential markets. Development of concrete market mechanisms is on the way.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

No formal workshops were convened in conjunction with the preparation of this ICR. During the course of the Project, many stakeholder workshops were supported on a wide range of topics from discussions on resource management, legislation to zoning of particular conservation areas. A wide range of stakeholders, from national and local government staff to tourism based businesses and local communities benefitted from the Project. Meetings with stakeholder groups during the ICR assessment work revealed a high level of community awareness with very active local groups confirming the importance of the Project for these groups.

4. Assessment of Risk to Development Outcome

Rating: moderate

For this GEF project, the Risk to Development Outcome is assessed in terms of the global objectives, which comprise biodiversity, institutional and income benefits. The assessment is based on the following criteria:

- **Technical:** negligible to low. Proven technical conservation and natural resource management interventions have been designed under the project.

- **Financial:** moderate. Basic Government financing of conservation agencies is secured, but budget constraints are possibly in particular for the provincial agencies. The downturn in tourism due to the financial crises has been moderate and is expected to be more than compensated by the 2010 soccer world cup event bringing additional visitors to the country.
- **Economic:** low. The economic benefits from conservation are well documented and particularly high for the project areas providing significant downstream environmental benefits.
- **Social:** moderate. Community income transfers through PES might still take some time.
- **Government ownership/commitment:** moderate. RSA Government shows a strong commitment to continue with the implementation of the 20-year conservation strategy. However, uncertainty is coming from the Lesotho taking slow action to put a functioning counterpart secretariat and budget in place.
- **Other stakeholder ownership:** moderate. The private sector is highly interested in ensuring that conservation efforts are sustained as this increases the attractiveness of the areas for tourism. Other important stakeholders such as the DWAF, depending on the project area as a major source of water, are equally committed. However, land owners in the surrounding areas might change production system towards less conservation supportive systems (crops, plantations)
- **Institutional support:** low. Strong interest of a large number of conservation agencies to join the inter-agency MoU and provide political and financial support for the second phase.
- **Governance:** moderate. Re-organization of conservancy agencies could cause disruption in their functions and effectiveness.
- **Natural disasters exposure:** negligible to low.

5. Assessment of Bank and Borrower Performance

5.1 Bank

(a) Bank Performance in Ensuring Quality at Entry

Rating: moderately unsatisfactory

While the relevance and political environment for the Project was well recognized and concept of the Project was innovative, there were shortcomings in the preparation, design and appraisal of the Project as described in Section 2.1. These relate to the weakness of the logical framework, a complex component structure without clear linkages between component outcomes and overall project objectives, a lack of appropriate project cost estimates, and inconsistencies in the design documents; -- all of this made project implementation challenging. A quality at entry evaluation rated this project as marginally satisfactory.

(b) Quality of Supervision

Rating: moderately unsatisfactory

Bank staff provided regular (generally twice per year) supervision inputs during project implementation. Findings and recommendations are documented in detailed aide memoirs available for all years, with the exception of 2007, where there seemed to have been a gap in supervision. The supervision support appears mixed reflecting several changes in task team leadership over time. Project implementation shortcomings were identified during the supervision process; however, many recommendations remained general and were not followed-up consistently enough to resolve issues in a timely manner. The missions were relatively short (from one day up to one week). This allowed only limited field work and problems identified during missions were often not fully solved. Particularly at the beginning and main

implementation phase of the project when the TTL was located in the country office a more intensive supervision process could have helped keep the Project focused and moving. At the critical investment phase restructuring was dragged on unnecessarily and finally not done and a quicker responsiveness might have avoided some of the delays related to key investments. The time between missions and the transmission of the aide memoires and management letters was long occasionally exceeding several months. The momentum generated during mission was lost due to such delays. The Bank recognized these issues and significantly improved supervision support during the project extension phases providing timely responses and practical solutions not only through formal supervision missions, but also through regular communication with the PCU in between missions.

Fiduciary aspects of the Project were supervised partly in conjunction with routine supervision missions and partly by regional procurement and financial management staff conducting separate visits to the country. Fiduciary issues were identified, but not followed up satisfactorily, e.g., the lack of regular FM reports or annual procurement plans. Social and environmental safeguarding aspects were handled by the task team leaders with recommendations reflected in various aide memoires, however again mostly in a relatively general way, while clearer guidance would have been helpful.

(c) Justification of Rating for Overall Bank Performance

Rating: moderately unsatisfactory

Overall Bank performance overall is rated as **Moderately Unsatisfactory** due to the described weaknesses in project design and supervision. However, these shortcomings did not significantly affect implementation to the extent that the project objective could not be achieved, but likely opportunities were missed to work more proactively on evolving conservation strategies. During the extension phase the Bank team worked more proactively with the Government and the PCU to focus the Project on completing a number of key activities and on the consolidation of key outcomes. At that stage a strong and highly responsive relationship with the PCU was re-established, which strengthened project implementation.

5.2 Borrower

(a) Government Performance

Rating: satisfactory

By launching this project the Government of RSA has given high attention to the bilateral biodiversity conservation agenda between South Africa and Lesotho resulting in a first and subsequently renewed MoU between both countries and the agreement on a 20-year conservation and development strategy. To implement this Project a Grant Agreement was signed between the World Bank and South Africa and a Project Agreement was signed between the World Bank and Ezemvelo KZN Wildlife (EKZNW) as the Lead Implementing Agency for South Africa with a Subsidiary Agreement signed between the National Department of Environmental Affairs and Tourism (DEAT), now Department of Environmental Affairs (DEA) and EKZNW. At the national level an Inter-agency Memorandum of Understanding was signed by DEAT, EKZNW, SANParks, and the departments responsible for conservation in the Free State and Eastern Cape Provinces. This process ensured a broad involvement and ownership of all major Government stakeholders and agencies in the Project. Notably the list of agencies has by now been enlarged by the South African Heritage Resources Agency (SAHRA), KZN Department of Agriculture, Environment and Rural Development (KZN-DAERD) and the Eastern Cape Parks (ECP), which were not signatories to the original Inter-Agency MoU. Through EKZNW these agencies provided and continue to provide the support for the PCU to adequately manage the Project and to continue implementation of the second phase. A Project Coordinating Committee (PCC) with representatives from a wide number of Government agencies continues to provide the operational

guidance for the PCU. The South African agencies have expressed their commitment to ensure that the coordination mechanisms in Lesotho are maintained at appropriate levels at all times.

(b) Implementing Agency or Agencies Performance

Rating: satisfactory

Overall the performance of the implementing agency was very commendable. The EKZNW and its PCU have compensated for many shortcomings in the design by taking various initiatives and working extremely hard to make the Project's interventions relevant and timely. Recognizing the weaknesses in the design, the implementing agency pro-actively made proposals for changes, which were subsequently agreed to by the Bank team. This pro-activity and flexibility has significantly contributed to making many project interventions more relevant to the South African context. The PCU was staffed with technically competent and dedicated professionals, which have established excellent relationships with their partners in Lesotho and a broader community of conservation practitioners, including international organizations.

Mainly lack of experience, training and appropriate procurement planning caused some delays of procurement processes with one case resulting in a declared mis-procurement.

(c) Justification of Rating for Overall Borrower Performance

Rating: satisfactory

The performance of the borrower is rated **Satisfactory** accounting for the satisfactory performance of Government and implementing agencies not only during project implementation but also with regard to the next phase implementation and advancements of project achievements.

6. Lessons Learned

Some key lessons learned from the Project include:

Transfrontier cooperation in biodiversity conservation can be achieved through parallel implementation that takes into account the uniqueness of the countries involved, while maintaining synergies for cross-learning and collaboration. Such a design allows sovereign decision making and sufficient freedom to choose specific implementation speed and processes, while generating the necessary level of national ownership. While the transfrontier cooperation was fully accomplished with significant transfer of knowledge from the advanced conservation and tourism experiences in South Africa, Lesotho was able to deliver on its own achievements. This appears a particularly suitable model in the context of countries that differ in size and development status.

In countries with high local capacity it is of particular importance to closely involve local institutions in project design and detailed preparation. In RSA the local capacity was high and many project design concepts evolved and have been developed during project implementation by the local institutions and implementers (e.g. PES schemes or stewardship mechanisms), while or original design concepts proved inappropriate for the local situation (e.g. tourism development or conservancies)..

A well prepared logical framework [monitoring framework] should be the backbone of project design and should be fully agreed prior to project implementation. Such framework needs to clearly show the linkages between components and their outcomes with the overall environment objective.

Objective, indicators and targets need to be realistic, helpful for management and take into account the time-frame of project implementation. A baseline not only helps to measure success, but also disciplines the designers to pay attention to realistic and measurable indicators.

Restructuring of the project should be done as soon as a need arises.

Frequent changes in task management during project design and implementation can cause serious disruption, when task managers are leaving without finishing important milestone tasks. Examples under this project were the finalization and agreement on the logical framework at the design stage, the completion of the restructuring of the Project at mid-term or finishing the complex and time consuming design and procurement process of the environmental centre at the later stage of the Project.

Changes in task management require particular management oversight.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

The borrower suggests that an explanation of the ratings should be included in the document to help understand differences between the ratings and overall rating. Further, the Borrower expresses its satisfaction with the way the ICR assessment was done and wishes to highlight the good cooperation with the Government of Lesotho on this project.

(b) Cofinanciers

Not applicable

(c) Other partners and stakeholders

(e.g. NGOs/private sector/civil society)

No issues raised.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate <u>a/</u> (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
<i>Project Management</i>	0.86	2.32	271%
<i>Transfrontier Cooperation</i>	0.47	0.44	95%
<i>Conservation Planning</i>	0.76	1.23	161%
<i>Protected Area Planning</i>	0.79	0.26	33%
<i>Conservation Management in existing Protected Areas</i>	2.81	1.60	57%
<i>Conservation Management outside of Protected Areas <u>b/</u></i>			
<i>Community Involvement</i>	1.64	1.30	79%
<i>Nature-based Tourism</i>	0.37	1.07	290%
<i>Institutional Development</i>	0.24	0.20	85%
Total Project Costs	7.93	8.43	106%

a/ The appraisal document does not provide a consistent estimation of project costs by components. The figures provided here have been partially derived from the PIP. The PAD raises the expectation of counterpart funds at a range of US\$ 16 million. The source and use of these counterpart funds is nowhere specified in the documentation and was not accounted for under the project.

b/ The component was combined with the *Conservation Management in existing Protected Areas component*

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Borrower		0.74	0.825	111%
Global Environment Facility (GEF)		7.19	7.602	106%
Total Financing		7.93	8.427	106%

Annex 2. Outputs by Component

Component 1 – Project Management and Transfrontier Cooperation

The component's objective was to establish strong bilateral coordination mechanisms to support the ecosystem management approach in the Maloti-Drakensberg area. Key outputs under this component have been:

- Signing of a Bilateral Memorandum of Understanding (MoU).
- Establishment of National Project Coordination Committees (PCCs).
- Bilateral Steering Committee (BSC).
- Joint security task force.
- Joint bearded vulture protection group.
- A Project Coordination Unit (PCU) with supporting units for financial management and procurement.

Rating: satisfactory.

In many regards the outcome of this component has exceeded appraisal expectations and has put a well functioning transfrontier cooperative mechanism in place with high level political support. MDTP has been adopted as a standing agenda item for the permanent Lesotho/RSA Joint Bilateral Commission on Cooperation (JBCC). The JBCC is a permanent inter-ministerial/departmental body headed by the ministries/departments of Foreign Affairs of the two countries. The JBCC focuses mainly on development related issues and MDTP has been adopted by the two countries as one of the key areas through which cooperation between the two countries can be enhanced.

A Bilateral Memorandum of Understanding (MoU) was signed on the 11th June 2001 and renewed and revised on December 1, 2008 to enhance cooperation between Lesotho and the Republic of South Africa. The MoU committed an area of 15,000 km² of which 6,000 km² was in Lesotho and 9,000 km² in RSA. Following biodiversity assessments in 2006, the MDTP planning area was increased to cover 24,305.6km² in Lesotho and 27,694.4km² in South Africa. Subsequent to establishment of national Project Coordination Unit (PCU) and a Project Coordination Committees (PCCs), a Bilateral Steering Committee (BSC) was constituted. The former meets quarterly and when need arises, while the latter follows a six monthly schedule of meetings. The transfrontier collaboration with Lesotho took place around the following issues: (i) development of a transfrontier conservation and development strategy; (ii) development of the Sehlabathebe-uKhahlamba Drakensberg Transfrontier Park as the prime transfrontier spatial initiative; (iii) development and implementation of a transfrontier tourism strategy; (iv) development and implementation of a joint security strategy; (v) addressing key threats to biodiversity and conservation such as fire and safety in the project area; and (vi) supporting key species conservation programs such as the bearded vulture program. The joint security task force has become an important mechanism to address cross-border security issues such as smuggling, cattle thefts or tourist protection. This task force consisting of members of security forces and conservation agencies from both countries meets regularly or on special demand and is a valuable mechanism for both sides to address security issues.

At a national level, the revision and signing of the revised Inter-Agency MoU is one of the most important demonstrations by RSA agencies to their commitment to MDTP, as the revised MoU

specifies the expected financial contributions for the second phase. A major milestone was the inclusion of three new agencies, the South African Heritage Resources Agency (SAHRA), the KZN Department of Agriculture, Environment and Rural Development (KZN-DAERD) and the Eastern Cape Parks (ECP), which were not signatories to the original Inter-Agency MoU. Eastern Parks has, in fact, been one of the most enthusiastic participants to MDTP phase I even though they were not a signatory to the original Inter-Agency MoU. For SAHRA efforts are underway to look at ways of SAHRA being a signatory to the MoU without necessarily making any financial contributions due to its known financial difficulties.

Mainstreaming of the MDTP was ideally expected to be a relatively easier process in South Africa, which was already involved in five other Transfrontier Conservation Agreements (TFCAs) with other neighboring countries. Organizations like the South African National Parks (SANParks) and Ezemvelo KZN Wildlife (EKZNW) already had a history of involvement in other TFCAs. Indeed SANParks and EKZNW have been key champions leading by example within MDTP. As expected, buy-in from the other agencies like the Free State Department of Tourism, Environment and Economic Affairs (FS-DTEEA) and the Eastern Cape Department of Economic Development and Environmental Affairs (EC-DEDEA) took a little longer as it took a while to get the senior officials to understand the importance and implications of being part of the MDTP. As a result DEDEA still has not signed the revised Inter-Agency MoU, which was signed by the other agencies early in 2009. Fortunately DEDEA was one of the first to make its financial contribution for the 2009/10 financial year and delays in signing the interagency MoU is thus not seen as a major risk for MDTP's continuation.

On the bilateral side, one of the key requirements for phase II as stipulated in the Bilateral MoU is the continuation of the national Project Coordination Unit arrangements as was the case in the first phase. Whilst this has been endorsed and incorporated into the revised Inter-Agency MoU in South Africa, there are concerns about Lesotho's decision to abolish the existing PCU and incorporate its functions into existing units of the Ministry. It is yet to be seen how well the existing unit will be able to cope with the additional and fairly demanding MDTP responsibilities, but a loss in momentum is inevitable. The RSA PCC chair (co-chair of BSC) has made a commitment to ensure that coordination mechanisms in Lesotho are maintained at appropriate levels at all times.

The Project was supported by a communications strategy including a web-site and a quarterly printed newsletter with alternate editions focusing on national aspects and bilateral aspects respectively with a circulation in excess of 14,000 copies per issue. The MDTP received good feedback indicating that the quality of the product was of a very high standard and the information contained therein was satisfying the requirements of the stakeholders. The web-site (maloti.org) is used to post copies of the newsletter as well as providing up to date information on the project for public use.

Overall the component has achieved its objective to establish strong bilateral coordination mechanisms to support the ecosystem management approach in the Maloti-Drakensberg area in many regards beyond appraisal expectations. However, the generated momentum is somewhat at stake at the Lesotho side.

Component 2 – Conservation Planning

The component's objective was to build capacity for transfrontier conservation and development and allow for adequate planning, zoning, protection and management. Key outputs have been:

- 20-Year Conservation and Development Strategy for the MDTFCA
- Cultural Heritage Assessment and Protection Strategy
- MDTP Transfrontier Security Strategy and Security Working Group

Rating: satisfactory.

A Systematic Conservation Planning process was implemented based on a number information layers which included vegetation mapping, forests assessments, herpeto-faunal data, small mammal survey information and socio-economic information. These layers were used to develop a long-term management framework for the MDTP, which finally resulted in the “20-Year (2008 – 2028) Conservation and Development Strategy for the MDTFCA” as the major and most important output of the first phase of MDTP. The final 20-Year Strategy document was launched by the two ministers in Lesotho and RAS responsible for environment in September 2007 at Giants Castle at the occasion to celebrate the 10th Anniversary for the Giants Castle Declaration towards the establishment of the MDTP. A simplified, abridged and glossy version of the Strategy subsequently developed and printed for distribution to less technical audiences.

The implementation of the 20-Year strategy is broken down into 5-Year action plans. The action plan for the years 2008 to 2012 has also been developed, finalized and printed for distribution. Whilst implementation of the 5-Year Action ideally started in 2008, it is yet to get into full implementation due to some overlap with the first phase project, which was extended by two years. Implementation is expected to pick up in 2010. EKZNW has in fact almost completed the process of developing their own annual action plan for 2010/11 derived from the 5-Year Action Plan and other agencies are expected to follow.

Important aspects of the strategy included the cultural heritage and security, both of which received limited attention in the design of the Project, but were considered important to achieve the global environmental objective:

Cultural Heritage: Soon after the start of the Project the PCU recognized the importance and opportunities to link biodiversity conservation with cultural heritage protection. This inclusion brought additional ownership to the process which had not been thought of and it expanded most participants’ understanding of cultural heritage beyond the entrenched San Rock Art. The cultural heritage data were acquired through a combination of existing data sets in the possession of private enthusiasts, cultural heritage agencies such as the Rock Art Research Institute at Wits, the interpretation of aerial photos and the undertaking of specific surveys. An overall TFCA wide cultural heritage survey which had been planned for before the end of the project in 2007 was abandoned due to time constraints and was unfortunately never picked up again during the extension. Consequently the Eastern Cape known to be host to significant cultural heritage features has not been surveyed and remains a gap that will need to be filled in subsequent iterations of the process.

MDTP supported Amafa AkwaZulu Natal, which is KZN’s cultural heritage resources management agency, in developing Integrated Management Plans (IPMs) for 23 cultural heritage sites. The 23 sites include: Good Hope 1, Good Hope 2, Boundary Rock, Sipongweni, Ikanti shelter, Mystery Shelter, Game Pass Shelter, Waterfall Shelter, Main Caves, Rock 75, Brotherton, Procession Shelter, Lower Mushroom Shelter, Sigubu shelter, Cascades Shelter, Sangoma Shelter, Mnweni Shelter, Masakala Shelter, Mariazell Shelter, Malekhalonyane Shelter, Kholokweng 1, Kholokweng 2 and Machikong. Implementation of these IMPs remains the responsibility of Amafa.

Security: Like cultural heritage protection, the relevance of security for the achievement of the overall objectives of the project was not recognized at the beginning of the Project. Security threads could have affected project achievements in two major ways: (i) increased livestock theft was likely to force land owners to consider other land use options like crop production and plantations which, unlike appropriate livestock production, are not very compatible with the conservation objectives of the MDTP, and (ii) security issues posed a significant constraint to the development of transfrontier tourism. Addressing security issues under the project was thus an important change in the design and at the same time proof of flexibility and oversight of the project implementers. In agreement with the Bank's TTL the BSC recommended inclusion of the security issues and requested MDTP to address them within the context of the project. A joint process was initiated to compile a transfrontier security strategy in collaboration with all relevant stakeholders.

In addition to the development of the security strategy, a Bilateral Security Working Group was established. The working group which meets quarterly has proved to be one of the most enthusiastic groups. The process has generated significant awareness and understanding of a wide range of stakeholders about the serious threats from security issues and that effort must be sustained in order to sustain the conservation program. It has also helped to create awareness amongst the security forces as to the strategic significance of their work in how it contributes to securing the "reservoir" of the country.

This component has fully achieved its objective to establish and build capacity for a transfrontier conservation planning mechanism for the Maloti-Drakensberg area. In addition the component has also addressed significant additional conservation planning elements in terms of cultural heritage and transfrontier security beyond appraisal expectations. This has made the Project's outcome more comprehensive with a higher likelihood of sustainability.

Component 3– Protected Area Planning

The component's objective was to prepare detailed plans for existing protected areas and proposed conservation areas including development and zoning plans, detailed management plans and address business planning as well as sustainability. Key outputs have been:

- Integrated Management Plan (IMP) for nine protected areas based on Concept Development Plan (CDP) and Stakeholder Workshop (SH W/S) including Strategic Management Plan or Time-bound Action Plan (SMP/TBAP) and Business Plans (BP);
- Establishment of the Maloti Drakensberg Transfrontier Park linking Sehlabathebe National Park in Lesotho and the Ukhahlamba Drakensberg Park World Heritage Site on the South African side; and
- Management Plans for Non-statutory Protected Areas.

Rating: satisfactory.

It was originally envisaged that a Protected Area Management Program (PAMP) Facilitator would assist each implementing agency with their planning process and that the agencies would take responsibility for the compilation of the planning products. Due to capacity limitations only EKZNW and SANParks were able to do this. Others agencies required much more outside assistance and the process was affected by serious delays. Some of the completion work is still incorporated into the 5-Year Action Plan. The status of completion of the various outputs for the protected areas is shown below:

Protected Area	IMP	CDP	BP	Comments
Golden Gate Highlands Nat. Park 11 630 ha (SANParks)	Completed October 2006 and approved by DEAT	Completed October 2006 and approved by DEAT	Completed October 2006 and approved by DEAT	
Qwa Qwa Nature Reserve, 22 000 ha (SANParks)	Process of incorporation into the Golden Gate, Plans in progress			
Sterkfontein Dam Nature Reserve 17 770 ha (FS DTEEA)	Completed October 2007 subject to DTEEA MEC approval	Completed October 2007 subject to DTEEA MEC approval	Development of BP is part of 2010/11 Annual Work plan	IMP & CDP not yet signed-off by DTEEA MEC
uKhahlamba Drakensberg Park World Heritage Site 242 813 ha (EKZNW)	Completed Oct. 2005 subject to DEAT Minister approval	Completed Nov. 2007 subject to DEAT Minister approval	Completed subject to sign- off by DEAT Minister	IMP & CDP not yet signed-off by DEAT Minister
Umngeni Vlei Nature Reserve 950 ha (EKZNW)	Completed Feb. 2008 subject to EKZNW MEC approval	CDP is included in IMP	Development of BP is part of 2010/11 Annual Work plan.	IMP & CDP not yet signed-off by EKZNW MEC
Coleford Nature Reserve 1 272 ha (EKZNW)	Near completion - to be completed by EKZNW	Near completion - to be completed by EKZNW	To be started by EKZNW.	Finalization is part of 2010/11 Annual Work plan
Ntsikeni Vlei Nature Reserve 9 200 ha (EKZNW)	Near completion - to be completed by EKZNW	Compilation started; to be completed by EKZNW	To be completed by EKZNW	Finalization is part of 2010/11 Annual Work plan
Malekgalonyane (Ongelukusnek) Nature Reserve 12 448 ha (ECP)	Near completion.	Compilation started.	Completion expected soon.	Finalization is part of 2010/11 Annual Work plan
Matatiele Nature Reserve, 4 801 ha (Matatiele Local Municipality)	Completed – to be signed off		BP development completed	

Maloti Drakensberg Transfrontier Park: One of the major achievements of the Project was the establishment of the Maloti Drakensberg Transfrontier Park linking Sehlabathebe National Park in Lesotho and the uKhahlamba Drakensberg Park World Heritage Site on the South African side. At the 12th BSC meeting in November 2007 the Joint Management Plan for the TFP was adopted and formal recognition within the ambit of the Bilateral MoU was granted. The transfrontier Park is run by a Joint Management Committee composed of representatives from EKZNW of RSA and the Ministry of Tourism, Environment and Culture (MTEC) of Lesotho. The committee meets quarterly on a rotational basis for meeting venues between the two countries.

Management Plans for Non-statutory Protected Areas: The original plan under this sub-component was to support the development of management plans for non-statutory protected areas across the TFCA. The plan was identify and support was offered to willing landowners to establish conservancies and then to assist them with the development of management plans. Two potential conservancies, the Clarens Bioregion Conservancy and Pholela/Oribi Conservancy, had

been identified, however, could not be formally established largely due unclear land ownership. When it became clear that none of the identified potential conservancies were going to be formalized, support was provided to the just emerging EKZNW stewardship program and the project supported a marketing strategy for this program.

A significant achievement, however, was the establishment of the 4,800 ha **Matatiele Municipal Nature Reserve**. This began as a pilot project but has resulted in the formal proclamation of the area as a formal protected area in 2007. The reserve is managed by the local Matatiele Municipality. MDTP facilitated and supported the Local Municipality with the appointment of a reserve manager, the appointment and training of six field rangers, the procurement of goods related to the establishment of the reserve and clearing of alien plants within the reserve. A total of 30 people from the neighboring communities were employed in the alien plant clearing activity. Further support was provided for the design of a gateway complex to the reserve. Whilst it was MDTP's intention to support the construction of the Gateway Complex, this never materialized due to procurement difficulties. The RSA government, through the PCC, has, however, made a commitment to raise funds for the construction of the complex.

Component 4&5 – Conservation Management

Components 4 (Conservation Management within Protected Areas) and Component 5 (Conservation Management outside Protected Areas) were combined on the understanding that the conservation management aspects that were being addressed were common to both in and outside of protected areas. The components' objectives were to improve conservation of natural resources on protected areas and communal lands to address the key threats to biodiversity in the conservation areas. The main focus of these combined components was to identify and promote conservation management aspects that were compatible with the overall objectives of the MDTP. In this regard specific efforts were made to develop of various policies and best practice guidelines and also implementation of some key pilot activities throughout the MDTP. Key outputs have been:

- The Development of Policies and Best-practice Guidelines for:
 - Management of Living Heritage Sites, and
 - Fire and grazing management;
- A number of Community Conservation Management Pilot Initiatives including the:
 - Greater Clarens Strategic Environmental Assessment,
 - Clarens Bioregion Conservancy,
 - Upper uThukela Community-Led Resource Management Project,
 - Hlatikhulu Vlei Land-use Zoning,
 - Hillside Community Tourism node,
 - Pholela/Oribi Conservation Area, and
 - Ntsikeni-Coleford Corridor Concept Development Plan;
- Bearded Vulture Protection through strategic habitat assessment and development initiative.

Rating: moderately satisfactory.

Policies and Best-practice Guidelines: Best-practice guidelines have been compiled in close collaboration with those who are responsible for their implementation. This consultative and participatory approach has achieved both buy-in as well as capacity building, both deliverables that have not been quantified:

- Management of Living Heritage Sites: Support was provided to SAHRA for the development of a policy for management of Living Heritage sites. Amafa have integrated the policy into the management of 3 cultural tourism sites in the Kamberg Valley, i.e. the Inkanyamba Shelter, Game Pass Shelter and Waterfall Shelter.
- Fire and grazing management best practice guidelines: Fire and overgrazing have always been viewed as major potential threats to the integrity and conservation of the critical resources of the Maloti Drakensberg bioregion. Hence the development of best practice guidelines for the management of fire and grazing were a major priority for the MDTP. A participatory approach was used in the development of these guidelines to ensure that all agencies had a clear understanding of these guidelines. In this regard the guidelines have already been adopted and being applied by the implementing agencies.

Pilot Projects: In order to demonstrate implementation of MDTP principles and the achievement of objectives on a local scale, a couple of pilot projects were initiated within the MDTFCA. Below is a brief discussion of each of the pilot initiatives and the achievements thereof:

- Greater Clarens Strategic Environmental Assessment (SEA): The small town of Clarens in the eastern Free State province is considered one of the fastest growing tourism nodes within RSA, as such property speculation and estate and resort developments have proliferated in this area and are not being subjected to an objective planning process and the local municipal officials are without robust information and guidelines to assist decision-making. An SEA was produced and adopted by the provincial and local authorities. Unfortunately local socio-economic and political dynamics have resulted in developments going through in spite of the SEA guidelines. Clearly implementation of the guidelines and recommendations out of the SEA still remains a challenge.
- Clarens Bioregion Conservancy: The MDTP supported four rural and two urban conservancies to come together under one umbrella thus coordinating their efforts to ensure the conservation of the area's natural and cultural heritage. The Project entered into a contract with the Conservancy to recruit, equip, train and deploy 12 previously disadvantaged people from the local community as field rangers. The field rangers were provided with bicycles. The Free State Department of Tourism, Environment and Economic Affairs (DTEEA) supported this work and provided the training. The field rangers still continue with their work with great enthusiasm and are now involved in broader environmental education and awareness in their communities and around the town of Clarens in general. However, the formal establishment of this conservancy was affected by land claim issues around a number of properties which are part of the conservancy and prevented a formal establishment of the conservancy.
- Upper uThukela Community-Led Resource Management Project: Six communities were involved in this initiative which was led by the Farmer's Support Group (FSG) in collaboration with Bergwatch and the Grassland Science Department of the University of KZN. It focused on developing capacity in sustainable resource use and management (land rehabilitation, grazing management, and fire management, among others), entrepreneurial skills development and other tourism related initiatives. Training and mentoring as part of this process was provided to more than 600 people. This activity was part of a separate impact evaluation that was carried out by an independent consultant and a full report is available with MDTP. The Upper uThukela Community-Led Resource Management Project was a significant intervention and has built the foundation for further work by EKZNW towards the establishment of a Community Conservation Area that will link the high-lying area between Royal Natal and Cathedral Peak. The area was also one of the two pilot areas for the Payment for Ecosystem Services initiative that will be discussed later in

this report. For EKZNW this area is an important buffer zone area for the UDP and as such EKZNW are continuing with further assessments of how key incentive measures can be used in the establishment of the buffer zone.

- Hlatikhulu Vlei Land-use Zoning. The Hlatikhulu Vlei Valley (HVV) buffers the UDP and is a critical biodiversity and cultural hotspot that is subject to several development applications. Landowners have begun collaborating towards a holistic vision for land-use in the valley. MDTP funded the initial stakeholder process and baseline surveys leading towards the development of a valley-wide land-use plan agreed to by all stakeholders. This project will be used as an opportunity to develop public private partnership models and associated legal agreements that will lead to the consolidation of the land itself and thereafter possible incorporation into the UDP.
- Hillside Community Tourism node development. MDTP supported the development of the Concept Development Plan and Business Plan for this node for EKZNW.
- Pholela/Oribi Conservation Area (POCA). The POCA is an initiative between commercial farmers and communal landowners working towards integrated land-use plans and conservation management action. Whilst the idea of establishing a conservancy never materialized, again due to land claim issues, smaller projects within this initiative have been developed, focusing on: a) alien plants, and b) anti-stock theft fencing. The communal area of KwaPitela is highly infested by bramble, a highly invasive alien plant which can completely cover the whole ground taking away important pastures for communities. Community members were trained and involved in clearing of bramble funded by MDTP. Despite significant efforts undertaken by the project, the results are likely to be not very effective due to: (i) a lack of clearing in neighboring commercial farms which will lead to a re-infestation of the cleaned areas with bramble and (ii) the short duration of the cleaning measure, which would require cleaning of the areas for at least three consecutive years. The stock theft is major problem within the MDTP with particularly more serious consequences and implications on communal farmers with smaller heads of cattle. MDTP supported the erection of an anti-stock theft fence on the boundaries of UDP. The fence is not easy to cut, hence is a significant deterrent and a barrier to stock thieves who normally use the UDP as an escape route.
- Ntsikeni-Coleford Corridor Concept Development Plan And Feasibility Study. Ntsikeni and Coleford Nature Reserves are separated by a corridor of communal and private land in the Eastern Cape and KZN. An existing initiative, the Umgano Project, has examined the tourism feasibility in part of this corridor resulting in a proposal to extend the feasibility to the entire corridor. This initiative is very well supported by the community and stakeholders. The MDTP funded a broader feasibility study aiming at the production of a tourism development and land-use feasibility assessment. This process delivered the required products which are available for further application but revealed that tourism development options are unlikely to be feasible mainly due to access limitations inherent in the bulk infrastructure requirements and locality.

Bearded Vulture Protection: The Project supported a Population and Habitat Viability Assessment (PHVA) that was coordinated by the Vulture Working Group of the Endangered Wildlife Trust (EWT). This process has produced a management plan which has been adopted and is being implemented by the implementing agencies. The MDTP supported the implementation through covering the operational costs of aerial monitoring and the purchase of containers and freezers for vulture restaurants. EKZNW for example are realizing revenues of close to ZAR 250,000 annually from photographers paying to take photos at the vulture feeding sites.

Despite the large number of initiatives taken under this component the overall component outcome is rated as moderately satisfactory related to the fact that some of these activities have been implemented in a largely disconnected manner, - some of them would have also benefited from more attention to effectiveness and suitability. A consistent conservation management framework was not provided in the Project design, but should have been developed during Project implementation.

Component 6 – Community Involvement

The component's objective was to enhance community involvement in the other components of the Project by promoting stakeholder collaboration, ownership and responsibility for decisions and activities related to the Project. Key outputs under this component have been:

- A formal community liaison mechanism with six protected areas,
- Generation of environmental conservation and biodiversity awareness in communities and schools through the development and distribution of Environmental Education Tool Boxes.

Rating: satisfactory.

Community involvement has always been recognized as an over-arching support mechanism for implementation. As such it has worked closely with the PAMP processes with the formation of PA liaison mechanisms being an essential by-product and also separate and specific initiative on Environmental Education Tool Box. The community liaison mechanisms that were established and the tool box are briefly reported on below.

Liaison mechanisms: The main objective was to formally establish and institutionalize liaison mechanisms for each statutory protected area within the MDTP; however, as indicated in the table below, this was not possible in some areas. Where this was not finalized the responsible agencies have an obligation, as specified in the 5-Year Action Plan, to conclude the process.

Protected Area	Status of Liaison Mechanism Establishment	Responsible Agency
Golden Gate Highlands National Park	institutionalized and operational	SANParks
UDP	institutionalized and operational	EKZNW
Ntsikeni	progress stalled due to change of boundary but now fully institutionalized	EKZNW
Matatiele Nature reserve	institutionalized and operational	Matatiele Municipality
Ongeluksnek	institutionalized and operational	Eastern Cape Parks
Sterkfontein	process could not be concluded, DTEEA to conclude the process	DTEEA

Environmental Education (EE) Tool Box: The Environmental Education Tool Box is the product of a highly successful contract that was managed in close collaboration with the EE officials in each of the implementing agencies. An EE task team was established to manage and to monitor the roll-out of the contract. An important output of this initiative was the EE Tool Box. A picture building game that assists participants to develop a common understanding of their environmental problem and develop common solutions has proved to be very popular with various users. However, the extent to which implementing agencies themselves have used the EE Tool Box still is less clear at this stage.

An assessment of the achievements based on the outcomes under this component only would not be appropriate as this component involved a large number of cross-cutting activities in the planning and management process for statutory PAs and activities in surrounding areas (components 3 to 5). As such the approaches under the Project have been largely successful even if the outcomes did not always fully yield the expected results. However, this Project significantly changed the nature of involvement of local communities in conservation activities from previously heavy top-down planning into intensive interaction with local communities in the vicinity of the Project PAs.

Component 7 – Nature-based Tourism/Development of Livelihood Opportunities

The component's objective was to promote local economic development through ecotourism to assure increased commitment to conservation. This was to be achieved through empowerment, development of tourism attractions and products, and marketing and investment strategies. The focus under this component was changed from developing nature-based tourism to all sustainable livelihood options. Key outputs under this component have been:

- Development of a Tourism Strategy for the Maloti Drakensberg transfrontier area;
- Specific Concept Development Plans for:
 - Relocation and Development of the Sani Pass Border Post
 - Witsieshoek Mountain Lodge
 - Golden Gate Interpretative Centre
- Development of a Payment for Ecosystem Services (PES) system

Rating: satisfactory.

Tourism Marketing Strategy: In close collaboration with Lesotho the key tourism stakeholders formulated a common branding for the MDTFCA and signed a MoU for a common brand and joint marketing between the Lesotho Tourism Development Corporation, SANParks, Tourism KZN, EKZNW, and the tourism marketing agencies in the Free State and Eastern Cape provinces. Part of this MoU has been the agreement to expand the existing Maloti Route, to *The Maloti Drakensberg Route*. Key priority activities out of the overall MDTP Tourism Development Strategy included capacity building at KZN (not part of the previous route), the expansion of the former Maloti Route Executive Forum to include KZN members, erecting new signage throughout the route and the appointment of a tourism specialist to run with this process. The process of recruiting a Tourism specialist is currently underway, but the Project did not complete the new proposed signage.

A book, "*The Maloti Drakensberg Experience*" was produced to highlight the key attractions of the MDTFCA. The book carries a strong conservation message in all of its sections and includes a directory of tourism operators in the MDTFCA. However, sales of the book with only some 300 books yet sold remained behind expectations. To make full use of this publication both in terms of its conservation messages and in promoting tourism the PCC is currently looking at options for wider distribution of the book including giving it away for free to major tourism organizations across in two countries. MDTFCA is also part of the broader Southern Africa Development Community (SADC) Boundless Southern Africa brand which showcases SADC TFCA's and Transfrontier Parks (TFPs) as premier tourism destinations. The MDTP received significant media coverage.

Concept Development Plans:

The Relocation and Development of the Sani Pass Border Post: Recognizing the negative impact of the existing location of the Sani Pass Border Post within the UDP the Project initiated the relocation of the post to the eastern periphery of the World Heritage Site to improve the integrity of the UDP. While no Project funds were actually used for this activity due to a procurement issue related to the design of the new post, this initiative has resulted in leveraging a significant amount of funds at a total of ZAR 130 million including ZAR 40 million from the African Renaissance Fund not only for the relocation of the post, but also for extending and up-grading the road through the pass connecting RSA up to Mokhotlong in Lesotho. Unfortunately, the actual work is still delayed, since Lesotho has still not managed to meet the conditions for the money to be released.

Witsieshoek Mountain Lodge: The original intention here was to focus on the broader spatial planning issues around the Sentinel Car Park area including the Witsieshoek Mountain Lodge on the boundary between KZN and the Free State, and to produce a co-management agreement between the relevant parties. Due to local political and traditional leadership dynamics this process was abandoned and eventually only focused on the development of Concept Development and Business Plans for the ailing Witsieshoek Mountain Lodge. This facility is owned and managed by the local Batlokwa community and has become derelict and with other management factors causing its popularity and occupancy rates to decrease significantly. The CDP has now provided a clear idea of what is required to turn the situation around and was showcased at the SADC 2010 TFCA investors' conference in October 2008 as an opportunity for investors. In addition a MoU between a potential investor and the Batlokoa Tribal Council was signed and the national Department of Environmental Affairs (DEA) has, through its Social Responsibility Program, approved an allocation of ZAR 20 million for the upgrading of the lodge as a contribution of the Batlokoa Community.

Golden Gate Interpretative Centre: In recognition of the paleontological importance of the eastern Free State and the discovery of fossilized Dinosaur eggs at the Golden Gate Highlands National Park, MDTP funded the development of the Conceptual Designs, an Interpretive Strategy and a Feasibility Assessment of a world class Interpretive Centre at Golden Gate. Despite a number of procurement challenges, a high quality final report has been produced and DEA and SANParks are now looking at a fundraising strategy for the construction of the centre. This interpretative centre with its unique attraction has the potential to become one of the most attractive tourist and educational facilities with widespread spillover effects for the entire region.

Payment for Ecosystem Services: From the outset the value of the Maloti Drakensberg Mountains was recognized in terms of their ability to deliver a host of ecosystem services, particularly those associated with catchment management. The MDTP was used to spearhead the introduction of "Payment for Ecosystem Services" as a concept to South Africa. A baseline study was commissioned to identify the full suite of ecosystem services in the MDTFCA with a view to undertaking a more detailed study into the feasibility of the PES system. Unfortunately Lesotho declined the offer to join in this process despite the fact the Lesotho Highlands Development Authority (LHDA) is already involved in a PES scheme with South Africa, selling water to South Africa through the Lesotho Highlands water transfer scheme.

The baseline study was completed and provided the desired information which was then used to commission the additional work on the feasibility of PES in two pilot areas in equal partnership with the Development Bank of Southern Africa (DBSA). The upper uThukela and upper Umzimvubu were used to develop a feasibility model which has shown that through the "sale" of hydrological services, namely decreased summer flooding and associated soil loss and sediment

yields, increased winter base-flows, as well as carbon credits for the carbon that is sequestered in the soil. Although very specific to the two pilot areas, the model has variables that may be altered when applied to other areas.

Of great significance is the momentum that has been generated through this work within the key stakeholders who were consulted and who participated in the development of the model, primarily the Department of Water Affairs and Forestry (DWAF) who are the custodians of the legal framework necessary to accommodate implementation. DWAF who came on board and provided some additional funding have indicated that they are already incorporating some of the study findings into their water pricing policies. On the other hand EKZNW is currently developing a proposal for fundraising for the implementation of PES.

The design expectations under this component have been very vague in terms of tourism development for South Africa and the implementers took initiative to use this Project for a number of far reaching initiatives of strategic importance for both making this area more attractive on the long-term for tourism and for development of different ways of benefit transfers. These initiatives are important; however, this was done at the cost of achieving tangible results on the ground. In retrospect this was a reasonable choice considering the use of GEF funds in a strategic way, rather than providing direct support to a number of business operators.

Component 8 – Institutional Development

The component's objective was to assure sustainability of other results by providing for an adequate institutional structure to inherit and maintain them.

Rating: satisfactory.

The major focus of this component was on ensuring appropriate institutional support and adequate and appropriate structures and capacity for key agencies for the successful implementation of MDTP. In this regard in addition to the training that was provided as part of implementation of some of the Project activities, efforts were also made to identify and address specific training needs among different agencies. Efforts were also made, though less successfully, to facilitate collaboration through the formation of various working groups focusing specific issues.

Training: The training reported on here is that which was implemented through the formal training plan which emanated out of the situational analysis undertaken as part of the Environmental Education contract. This training is easily quantifiable in terms of the numbers of people trained, but throughout implementation of this phase capacity has been build where the PCU have engaged certain stakeholder groupings. While these benefits are intangible and thus unquantifiable, they are nonetheless significant in their influence on future implementation. The four components of the formal training plan have delivered as follows:

Type of Training/Course Provided	Number of People Trained	Source of Trainees	Service Provider/ Trainer
Training in various areas, including project management, community involvement, cultural heritage management, systematic conservation planning, tourism operations and protected area management planning.	272	EKZNW staff	PCU Staff
Short Course on Community Conservation (NQF 5) (<i>National Qualification Framework – Level 5 is equivalent to a National Certificate</i>)	35	Community Liaison Forum Members from around UDP and Ntsikeni	Southern African Wildlife College
Cultural Heritage Resources Management (NQF 6) (<i>National Qualification Framework – Level 6 is equivalent to a National Diploma</i>)	8	Protected Area Managers	Southern African Wildlife College
Introduction to Tourism Management (NQF 5)	30	Community members – 15 from Free State 15 from Eastern Cape	Southern African Wildlife College
Natural Resources management	15	Community members from around Pholela/Oribi area	Southern African Wildlife College
Natural Resources management	12	Junior government officials from Eastern Cape and Free State provinces	Southern African Wildlife College
Schools and Sustainability Course for selected teachers	17	Teachers selected from eco-schools in the region	Rhodes University and Ethekwini Municipality in collaboration with WESSA

Again an assessment of the achievements based on the outcomes under this component only would not be appropriate, since human and institutional capacity building took place throughout the Project. Implementing this Project and engaging in the countless interactions with stakeholders and international agencies and developing an appropriate and relevant design was a major capacity building activity by itself. Throughout the Project many national institutions have been trained, an interagency mechanism was developed and bilateral institutions have been set up. These institutions have proven to be capable to manage this Project and to set up a system for continuation. This outcome in itself is proof of the satisfactory achievements under this component.

Annex 3. Economic and Financial Analysis

Not applicable. The Project was a stand-alone GEF project with a GEF grant and counterpart funding from Government of Lesotho. At the time the Project was designed neither financial nor economic analyses were prepared. No standard cost benefit or cost effectiveness parameters were calculated, and would be extremely difficult to calculate ex-post.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team Members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Jan Bojo	Sector Leader	EASER	Team lead
Christophe Crepin	Lead Environmental Specialist	EASER	
Cyprian Fisiy	Director	SDV	
Christopher Warner	Sr. Technical Specialist	ENVCF	Co-team lead
Anthony Hegarty	Chief Financial Management Officer	OPCFM	
V.S. Krishnakumar	Regional Procurement Manager	AFTPR	
Elisabeth Adu	Director	LCSOS	
Supervision/ICR			
Aberra Zerabruk	Consultant	LEGAF	
Aziz Bouzaher	Country Sector Coordinator	ECSSD	
Bienvenu Rajaonson	Sr. Environmental Spec.	AFTEN	
Charles Annor-Frempong	Senior Country Officer	AFTAR	Team lead
Chitnabala J. Sikazwe	Procurement Specialist	AFTPC	
Christopher James Warner	Sr. Environmental Specialist	ENVCF	Team lead
Edith Ruguru Mwenda	Sr. Counsel	LEGAF	
Frauke Jungbluth	Sr. Rural Development Economist	AFTEN	Team lead
Fenwick M. Chitalu	Financial Management Specialist	AFTFM	
Gert J. A. Van Der Linde	Lead Financial Management Specialist	AFTFM	
Henri A. Aka	Procurement Specialist	AFTPC	
Jemima Harlley	Program Assistant	AFCS1	
John E. Ambrose	Consultant	AFTU1	
Jonathan Nyamukapa	Sr. Financial Management Specialist	AFTFM	
Josef Ernstberger	Consultant	AFTEN	
Likeli Theresia Ratsethuntsa	Team Assistant	AFMLS	
Karsten Feuerriegel	NRM Specialist	AFTEN	
Marie Bernadette Darang	Information Assistant	AFTEN	
Marie Helen Treppe	Information Assistant	AFTCS	
Melanie Jaya	Program Assistant	AFCS1	
Meseret Kebede	Program Assistant	AFTAR	
Modupe A. Adebawale	Sr Financial Management Specialist	AFTFM	
Paul A. Burnett	Finance Analyst	LOADM	
Phillip Brylski	Country Sector Coordinator	EASEN	
Rogier J. E. van den Brink	Lead Economist	EASPR	
Salma Chande	Team Assistant	AFCS2	
Slaheddine Ben-Halima	Consultant	AFTED	
Sofia Odendaal	Program Assistant	AFCS1	
Tandile Gugu Ngetu	Financial Management Specialist	AFTFM	
Teresa De Jesus S. McCue	Finance Analyst	LOADM	
Watson C. Chidawanyika	Senior Rural Development Specialist	AFTAR	
Wedex Ilunga	Procurement Specialist	AFTPC	

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY98		17.68
FY99		36.17
FY00		79.68
FY01		19.48
FY02		6.55
FY03		18.40
FY04		0.00
Total:		177.96
Supervision/ICR		
FY02		0.00
FY03		6.99
FY04		14.09
FY05		36.74
FY06		83.27
FY07		68.18
FY08		46.72
FY09		25.00
FY10		30.00
Total:		310.99

Annex 5. Beneficiary Survey Results

(if any)

(N/A)

Annex 6. Stakeholder Workshop Report and Results
(if any)

(N/A)

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

A draft Borrower's ICR (40 page document) is available on file. The following sections are extracted from the borrower's ICR un-shortened and unedited:

Project Objectives:

'The two main objectives of the Maloti Drakensberg Transfrontier Conservation and Development Project were:-

- To conserve the globally significant biodiversity of the Maloti and Drakensberg mountains bioregion, and
- To contribute to community development in the bioregion through nature based tourism.

These two objectives were the overall objectives for both countries. The Project Coordination Units (PCUs) of the two countries agreed to modify the first objective to include cultural heritage resources of the bioregion, in recognition of the abundance of cultural resources within the bioregion. The objective was therefore modified to focus on the conservation of the globally significant biodiversity and cultural heritage of the Maloti Drakensberg bioregion. In most instances the objective has been popularly stated as – "to conserve the globally significant natural and cultural heritage of the Maloti Drakensberg bioregion."

While the Lesotho authorities decided to live the second objective unchanged, the South African PCU decided to focus on the broader livelihood opportunities and initiatives rather than just nature based tourism.

Whilst the main focus of the project was on conservation of the globally significant biodiversity efforts were made to identify and implement any key livelihood initiatives that would enhance the levels of community participation in conservation of the natural and cultural heritage of the bioregion. The main focus of the project was on establishing and maintaining a long-term cooperative and collaborative framework based on strong and sustainable stakeholder relationships and identifying and implementing key livelihood initiatives as pilots for replication in the longer term.'

Overall Outcome:

'In conclusion it is important to, in this report, record the government of South Africa's appreciation for the financial and technical support from the GEF and the World Bank for the past seven years of this project. I have no doubt that the same is true for the government of the Kingdom of Lesotho.

We, as implementing agencies, might not have managed to achieve, during the past seven years, to the satisfaction of the GEF/World Bank, some of the key goals and targets that were set-out in the PIP and the PAD, but for us this process has helped us not only to establish an effective collaborative framework but equally important to also define a common and long-term vision (20-Year Strategy) and a road map (Action Plan) towards that vision for the Maloti Drakensberg mountains bioregion. This is a vision that is based and guided by the common understanding of the need and obligation to nurture the valuable resources that make the mountain region what it is to the two nations.'

Critical factors that Affected Implementation of the Project:

‘Whilst the project received satisfactory ratings from all the World Bank Supervision Missions which were carried out at least bi-annually since the inception of the project, significant challenges were encountered along the way and these related to:

Institutional Capacity and Staffing for the Project:

For starters, the recruitment of a Procurement Specialist proved to be a major challenge from the beginning of the recruitment process and eventually became recurring problem as the project has already had four specialists during its lifetime and these of course punctuated by long spells without a procurement specialist at all. Whilst the major challenge was always identifying suitable candidates, those that were eventually identified were in most cases quick to find greener, more permanent and less challenging pastures. This problem in no doubt contributed significantly to the declaration of mis-procurements during the course of the project and the significant delays in the procurements for activities like the Golden Gate Interpretive Centre and the Matatiele Nature Reserve Gateway Complex both of which, for various reasons had to be redone. At this time the project was relying on the services of a part-time Procurement Specialist who was based in Lesotho which in itself proved to be a major challenge.

The extension period and staff contracts could also have been better managed. The first year’s (2008) extension resulted in the PCC taking a decision not to renew most PCU staff contracts early in the extension period. This left only the Project Coordinator and the Accountant to close-off the project which instead was extended for another year (2009). This obviously resulted in undue pressure on the two staff members. Delays in recruiting the other PCU members did not help the situation at all.

Representation of key agencies in all the key decision making processes of the project like the PCC and BSC proved to be a major challenge from the beginning throughout the first phase. As a demonstration of their limited experience with TFCA issues and also limited capacity, representation of the Eastern Cape and Free State representatives to the PCC and BSC has been quite erratic most of the times. Only quite recently have we witnessed significant improvement in their participation. The challenge with these two agencies, EC-DEDEA and FS-DTEEA is that they are both represented by one person on the PCC and BSC unlike other agencies, like EKZNW and SANParks who are represented by at least three people. A major challenge ahead is to get all the agencies to be more active in the implementation of the 5-Year Action Plan which has very specific requirements from each of the agencies. At this stage the challenge is now more of addressing their capacity limitations as they now seem to have fully grasped the concept of TFCAs with appropriate buy-in.

Support from the World Bank:

Support to the project from the World Bank was provided fairly constantly through direct contacts with the TTL and through Supervision Missions which were conducted at least bi-annually from the beginning of the project. Whilst one may not pinpoint any specific challenge/problem associated with the changes in TTLship, the general view is that changing three TTLs throughout the life of the project was a bit too much. The same goes for the Finance Specialists which were also changed too frequently.

Given the challenge that the project had with identifying and retaining a Procurement Specialist, for the World Bank to only conduct two Procurement Reviews for a project that has been under implementation for seven years did not help the situation at all.’

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders



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Ms. Ruth Kagia
Country Director
The World Bank
P.O. Box 12629
Hatfield
PRETORIA
0028

Fax: (012) 348 7120

Dear Ms. Kagia

REPUBLIC OF SOUTH AFRICA: MALOTI-DRAKENSBERG TRANSFRONTIER CONSERVATION AND DEVELOPMENT PROJECT (PO52368) – SUBMISSION OF IMPLEMENTATION COMPLETION REPORT FOR COMMENTS

In reference to your letter dated 1 April 2010, I thank you for the submission of the draft Implementation Completion and Results Report (ICR) for the recently closed South Africa Maloti-Drakensberg Transfrontier Conservation and Development Project for our comment.

Apart from minor typographical errors and the following minor comments and suggestions, the report is fairly good.

Comments and suggestions are:-

1. We would like to suggest that an explanation of the ratings, moderately satisfactory, marginally satisfactory, satisfactory and moderately unsatisfactory should be included somewhere in the document. Whilst most of us have come to know and appreciate that a "satisfactory" rating is in fact a good rating, most of us still cannot tell the difference between, for instance, "moderately satisfactory" and "marginally satisfactory" ratings. In this regard, an explanation of the ratings, for example on 1 to 5 or percentage scale would be helpful.
2. We would like to record that we have enjoyed good cooperation with the Government of the Kingdom of Lesotho specifically on this project and continue to do so in other avenues of cooperation and will continue to build on this relationship in the future.
3. On the Bank's assessment of the project, we would like to record our satisfaction in the way the assessment was done.

We wish to express our sincere gratitude to the World Bank for its contribution to this project and hope to work with you in the near future once again.

Yours sincerely,

PP 

DEPUTY DIRECTOR-GENERAL: INTERNATIONAL AND REGIONAL ECONOMIC POLICY
DATE:

CC: Ms. N Ngcaba, Director-General, DEA
Mr. Fundisile Mketeni, Deputy Director General: Biodiversity and Conservation, DEA
Mr. Ernest Mokganedi, Director: Transfrontier Conservation Areas, DEA
Mr. Z Fakir: GEF Focal Point, DEA
Mr. R Dhlokhlo, Project Coordinator, MDTP
Mr. N Mashiya, Chief Director: IFD Unit, National Treasury
Mr. Toga McIntosh, Executive Director for South Africa, World Bank

Annex 9. Results of the Protected Area Management Effectiveness Tracking Tool

To evaluate progress of protected areas achieving the objectives for which they were established and to maximize their potential, and to improve management processes, strengths and weaknesses of their management and the threats that they face need to be evaluated. The World Commission on Protected Areas provides an overarching framework for assessing management effectiveness of both protected areas, to give guidance to managers and others and to help harmonize assessment around the world. Table 1 contains a summary of the elements of the WCPA Framework and the criteria that can be assessed².

Table 1: Summary of the WCPA Framework.

Elements of evaluation	Explanation	Criteria that are assessed	Focus of evaluation
Context	<i>Where are we now?</i> Assessment of importance, threats and policy environment	<ul style="list-style-type: none"> - Significance - Threats - Vulnerability - National context - Partners 	Status
Planning	<i>Where do we want to be?</i> Assessment of protected area design and planning	<ul style="list-style-type: none"> - Protected area legislation and policy - Protected area system design - Reserve design - Management planning 	Appropriateness
Inputs	<i>What do we need?</i> Assessment of resources needed to carry out management	<ul style="list-style-type: none"> - Resourcing of agency - Resourcing of site 	Resources
Processes	<i>How do we go about it?</i> Assessment of the way in which management is conducted	<ul style="list-style-type: none"> - Suitability of management processes 	Efficiency and appropriateness
Outputs	<i>What were the results?</i> Assessment of the implementation of management programs and actions; delivery of products and services	<ul style="list-style-type: none"> - Results of management actions - Services and products 	Effectiveness
Outcomes	<i>What did we achieve?</i> Assessment of the outcomes and the extent to which they achieved objectives	<ul style="list-style-type: none"> - Impacts: effects of management in relation to objectives 	Effectiveness and appropriateness

² For a copy of the WCPA Framework or a more detailed summary please visit the WCPA web-site at: www.iucn.org/themes/wcpa or contact WCPA at wcpa@hq.iucn.org

The Maloti Drakensberg Transfrontier Project (MDTP) facilitated protected area (PA) management effectiveness assessments for eight of the South African statutory PAs within the Project area with the help of the Management Effectiveness Tracking Tool (METT), developed by Stolton *et al*, 2003 and 2007³ which is based on the WCPA Framework and its criteria. The assessment exercises were undertaken between 2004 and 2009 in collaboration with the different conservation authorities responsible for each of the eight protected areas. The PAs for assessment were:

Protected Area	Management Authority	SA Province
Golden Gate Highlands National Park	South African National Parks	Free State
Sterkfontein Dam Nature Reserve	Free State Department of Economic Development, Tourism & Environmental Affairs	Free State
uKhahlamba Drakensberg Park World Heritage Site	Ezemvelo KwaZulu-Natal Wildlife	KwaZulu-Natal
uMngeni Vlei Nature Reserve	Ezemvelo KwaZulu-Natal Wildlife	KwaZulu-Natal
Coleford Nature Reserve	Ezemvelo KwaZulu-Natal Wildlife	KwaZulu-Natal
Ntsikeni Nature Reserve	Ezemvelo KwaZulu-Natal Wildlife	KwaZulu-Natal
Malekgalonyane (Ongeluksnek) Nature Reserve	Eastern Cape Parks Board	Eastern Cape
Matatiele Nature Reserve	Matatiele Local Municipality	Eastern Cape

Evaluation Results: It is encouraging to note that there has been a significant improvement in management effectiveness for most PAs since their first assessments in 2004 (Table 2). The two PAs with international (uKhahlamba Drakensberg Park World Heritage Site) and national status (Golden Gate Highlands National Park) for example have improved their performance by more than 6% and 9% respectively since their first assessments. Two provincial Nature Reserves, Malekgalonyane (Ongeluksnek) NR and Matatiele NR even improved their performance by over 17% and 29% respectively. On the other hand, it is disappointing to note that three provincial PAs, namely Sterkfontein Dam Nature Reserve, Coleford NR and uMngeni Vlei Nature Reserve have only marginally improved or even decreased in their effectiveness (Table 2). A general factor that certainly has contributed to the progress reflected for most of the PAs is the fact that all these PAs now have management plans or are in the process of compiling them – none of them had operational management plans when originally assessed. This improvement can be directly attributed to MDTP interventions. Generally, most comments associated with lack of further effectiveness progress were associated with a serious lack of financial and human resources.

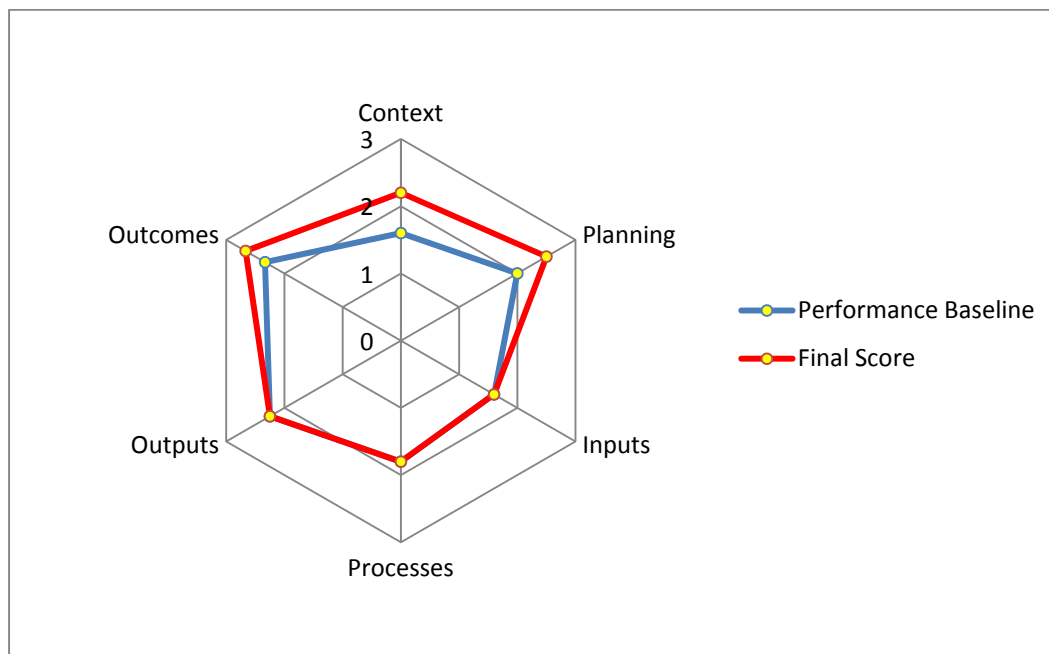
³ Stolton, S., Hockings, M., Dudley, N., MacKinnon, K. and Whitten, T. 2003 and 2007. Reporting Progress at Protected Area Sites: A simple site-level tracking tool developed for the World Bank and WWF. Prepared for the World Bank/WWF Forest Alliance.

Table 2: Total management effectiveness scores over time for all eight PAs assessed through the METT.

Protected Area	Date	Total Score (%)	Date	Total Score (%)	Variance (%)
Golden Gate Highlands NP	16/11/2004	63.30	8/12/2009	72.73	9.43
Sterkfontein Dam NR	28/4/2004	52.80	30/11/2009	56.57	3.77
uKhahlamba Drakensberg Park World Heritage Site	13/11/2006	61.46	17/11/2009	67.71	6.25
uMngeni Vlei NR	27/3/2006	69.50	2/11/2009	66.67	- 2.83
Coleford NR	17/11/2005	53.76	24/11/2009	56.25	2.49
Ntsikeni NR	4/5/2006	53.10	24/11/2010	63.64	10.54
Malekgalonyane (Ongeluksnek) NR	4/5/2005	44.80	3/11/2010	62.50	17.70
Matatiele NR	20/6/2007	37.83	3/11/2010	67.68	29.85

In addition to the total scores which were produced, the ICR team aimed to create a series of radar diagrams, to illustrate the performance of each PA against each of the 6 WCPA criteria over time. Unfortunately, the requested data capturing the performance baseline are only available for one but the largest PA (uKhahlamba Drakensberg Park World Heritage Site). The results for this area are summarized below in diagram 1.

Diagram 1: Management effectiveness performance over time against each of the 6 WCPA criteria (Baseline vs. Final Assessment) for uKhahlamba Drakensberg Park World Heritage Site.



Annex 10. List of Supporting Documents

1. PAD Maloti-Drakensberg Transfrontier Conservation and Development Project (MDTP), 2001
2. Aide Memoires, ISRs and Midterm Review
3. Draft Government ICR
4. MDTP Independent Midterm Review
5. MoU between the Government of the Kingdom of Lesotho and the Republic of South Africa in respect of the Maloti-Drakensberg Transfrontier Conservation and Development Area
6. 20 Year (2008-2028) Conservation & Development Strategy for the Maloti Drakensberg Transfrontier Conservation Area
7. Action Plan for Phase II of the MDTP (2008-2012)

