Project Document

Federal Democratic Republic of Ethiopia

United Nations Development Program

Global Environment Facility

Full Project: Sustainable Development of the Protected Area System of Ethiopia (SDPASE). PIMS 494

Project Summary: This GEF Biodiversity Project (Strategic Priority One (BD1) and OP1-4) addresses capacity building across the whole protected areas sector of Ethiopia, in order to achieve a sustainable national protected area system. The project recognizes the relatively weak sectoral situation at the moment - whereby the protected area system is under resourced and marginalized from the national development agenda. This project notes that past donor support to the protected areas was piece meal, focusing on individual protected areas rather than addressing the main policy and capacity-enabling environment. Documentation of biodiversity shows a spiral of resource and habitat loss, and population declines in the past decades.

However, the project also notes the positive developments in Ethiopia in the past few months with a more supportive attitude to the sector, with the approval of national policies and draft proclamation (law) for wildlife. There is the beginning of partnership (e.g., African Parks) and stronger institutional linkage (e.g., to watershed conservation and tourism). New structures at regional level (e.g., Amhara Protected Areas Authority) with increased funding augur well for the future. Finally and most importantly, protected areas are being adopted in the SDPRP II indicator matrix – thus, they are being considered as a high priority for development by the government.

The project builds on these gains and proposes an eight-year project, with two stages for implementation purposes: the first stage focusing on the national system in terms of capacity building training and integrating the protected area system into mainstream development. Developing WB led investments into the tourism sector and into critical watershed management offer entry points for such integration. Co-finance pilots on-ground protected area management models at two – three major protected area landscapes, which feed into the capacity process. The second stage using national execution consolidates the capacity gains, implements the business plan, and assists the replication of protected area management process.

The total GEF intervention is costed at $ 9million, including catalytic investment to a Trust Fund in stage 1. Co-finance has been secured at some $ 19 million with further funding from Government in kind. The Project will be implemented through Direct Execution (DEX) modalities in stage 1, as institutions are created and strengthened; handing over to nationally driven National Execution (NEX) in stage 2.

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Acronyms

AAU	Addis Ababa University
ADB	African Development Bank
ADLI	Agriculture Development Led Industrialization
CBD	Convention for Biological Diversity
CBNRM	Community-based Natural Resource Management
CIDA	Canadian International Development Agency
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DEX	Direct Execution
EFAP	Ethiopian Forestry Action Plan
ETC	Ethiopian Tourism Commission
EU	European Union
EWCO	Ethiopian Wildlife Conservation Department
EWCP	Ethiopian Wolf Conservation Programme
EWNHS	Ethiopian Wildlife and Natural History Society
FD	Forestry, Soils and Land Use Department
FDRE	Federal Democratic Republic of Ethiopia
FPA	Forest Priority Area
FZS	Frankfurt Zoological Society
GEFSEC	GEF Secretariat
GTZ-IS	Deutsche Gesellschaft für Technische Zusammenarbeit – International Services
HIPC	Highly Indebted Poor Country
IBC	Institute for Biodiversity Conservation
IDA	International Development Association
IFC	International Finance Cooperation
IUCN	World Conservation Union
JICA	Japan International Cooperation Agency
KBA	Key Biodiversity Area

KWS	Kenya Wildlife Service
MDG	Millennium Development Goals
METT	Management Effectiveness Tracking Tool
MoARD	Ministry of Agriculture and Rural Development
MoFED	Ministry of Finance and Economic Development
NBI	Nile Basin Initiative
NBSAP	National Biodiversity Strategy and Action Plan
NEX	National Execution
NTEAP	Nile Trans-boundary Environmental Project
PASP	Protected Area System Plan
PDF	Project Development Fund
SIDA	Swedish International Development Agency
SDPASE	Sustainable Development of the Protected Area System of Ethiopia
SDPRP	Sustainable Development and Poverty Reduction Program
SLM	Sustainable Land Management
TANAPA	Tanzanian Parks Authority
TNC	The Nature Conservancy
UNESCO	United Nations Education, Science and Cultural Organization
UNDP	United Nations Development Program
UWA	Uganda Wildlife Authority
WAJIB	The GTZ community-based forest project in Adaba-Dodola
WB	World Bank
WCD	Wildlife Conservation Department
WCS	Wildlife Conservation Society

1 Context

1.1 Environmental context

1.1.1 Biodiversity, ecosystems and ecological processes

1. Ethiopia is a landlocked country with an area of 1.13million km² (of which 1.12million km² are land). It is bordered to the north by Eritrea, to the east by Djibouti and Somalia, to the south by Kenya and to the west by Sudan (see maps, Annex 5).

2. The biogeography of the country is characterized by two dominant features - first, the ancient, arid areas of the Horn of Africa, with its three centres of endemism one of which, the Ogaden, falls within Ethiopia. The mesic highland plateaux are the second biogeographical feature. Although relatively young in evolutionary terms and has experienced relative climatic instability over the past 1.5million years (both in contrast to the arid Horn), highland isolation has resulted in significant endemism. Overall, therefore, while the arid Horn and young highlands are relatively impoverished in species number, the levels of endemism are high. Therefore, Ethiopia has over 6,000 species of vascular plant (with 625 endemic species and 669 near-endemic species, and one endemic plant genus), 860 avian species (16 endemic species and two endemic genera), 279 species of mammal (35 endemic species and six endemic genera) (see Annex 2 for detailed description of the biodiversity of Ethiopia).

3. The vegetation of the country falls into five recognized biomes: Sudanian, Congo-Guinean, Sahel arid zone, Somali-Maasai, and the Afrotropical and montane. These can be further sub-divided into ten broad ecosystems: i) Afroalpine and sub-alpine, ii) dry evergreen montane forest and grassland, iii) moist evergreen montane forest, iv) moist evergreen lowland forest, v) Congo-Guinean forest, vi) Acacia woodland and thickets, vii) Acacia-Commiphora woodland, viii) Combretum-Terminalia woodland/savannah, ix) lakes, wetlands & river systems, and x) arid ecosystems. However, analysis carried out over the course of the development of this project indicates that there are a total of 17 ecosystems (see Annex 4); of these, seven are not represented at all in the protected area network.

4. There are a number of charismatic flagship species, most notably the gelada (an endemic genus, *Theropithecus*, and the world's only grazing primate), the mountain nyala, the Ethiopian wolf, the walia ibex and the giant lobelia. The biodiversity is described in more detail in Annex 4.

5. The global significance of the area has been recently recognized through Conservation International's Biodiversity Hotspots. The country spans two Hotspots: the Horn of Africa and the Ethiopian Highlands (which is included in the Eastern Afromontane Hotspot). The areas included in the Hotspots covers the majority of the country, including the entire eastern area of Ethiopia below 1,100m ASL and all highland areas above 1,100m ASL (see maps in Annex 5).

6. In addition to the biodiversity, the country contains i) outstanding bio-physical features, including the standing lava lake of Erta'Ale, the sulphur formations of Dallol, and the spectacular Rift Valley escarpments of the Simien Mountains and Abune Josef, ii) the well-known historic sites (e.g., Lalibela, Axum, Gondar), iii) many paleontological and archaeological sites, and iv) a rich diversity of peoples (with over 200 dialects of 80 distinct languages). Being one of the centers of plant domestication, the country also harbors rich agro-biodiversity (Harlan, 1992).

7. There is a further critical aspect to the environment – the ecological processes – in Ethiopia that has important implications for this project. The highlands are the watershed for the surrounding lowlands. There are seven major river basins (Webe Shebelle, Awash, Omo, Juba and Blue Nile – comprised of the Takeze, Baro-Akobo and Abbai; see Annex 5 for map) in the highlands of Ethiopia that provide water for the people, livestock, wildlife and riparian vegetation in the lowlands. This is the highland-lowland system where resources are not equally distributed but are dynamically interlinked. Thus, the people,

livestock, wildlife and riparian vegetation in the lowlands are dependent on the good management and protection of the watersheds in the highlands.

1.1.2 Direct threats to biodiversity, ecosystems and ecological processes

8. While the threats to biodiversity of Ethiopia are underpinned by high human population pressure (see below), the exploitation of the area by humans is not a modern phenomenon. It has been estimated that it has been ongoing for many thousands of years, particularly to the west of the Rift Valley, and this has destroyed most of the natural vegetation, including most of the forests (Harlan, 1992). Indeed, highlanders even refer to each vegetation zone in terms of its habitability and the agriculture that can be practiced: Wurch (Afroalpine, >3,000m, too cold to be habitable, no agriculture); Dega (temperate, 2,300–3,000m, barley, wheat, potatoes, pulses); Weyna Dega (warm temperate, 1,500–2,300m, tef, maiza, wheat, pulses); and Kolla (tropical, 800–1,500m, sorghum) (and with Bereha being the hot and dry lower altitudinal areas <800m, no rainfed cultivation).

9. Several plant species, whose maximum productivity lies between 1,800 and 2,100m, were domesticated in the Highlands, which includes their centres of diversity and origin. They include khat (*Catha edulis*), ensete (*Enset ventricosum*), noog (*Guizotia abyssinica*), finger millet (*Eleusine coracana* for beer), tef (*Eragrostis tef*) and coffee (*Coffea arabica*) (Harlan, 1992). The exact date and location for the domestication of all these plants is unknown. On the basis of linguistic, historic, geographic and botanical studies, there is no doubt that, with some variation, they are very ancient crops and most authors put the date at between 6,000-3,000 years ago. The destruction of the environment, thus, may be considered to be all the more ironic because of this long tradition of using indigenous natural resources - exemplified by the domestication of these plants. However, various authors consider that these domesticated plants are simply examples of the occasional commodity found to be useful by people a number of generations ago.

10. Altitude has had a profound effect on human exploitation and so the extent of the original vegetation that remains. The long history of agriculture means that all productive land in the highlands has been transformed and the original vegetation that remains only does so because it is confined to the ecosystems that are extreme and defy human use. These are the steep escarpments of the Rift Valley and the river gorges, the cold Afroalpine plateaus and a few patches of thick forest. Consequently, a few key areas of the remaining original vegetation emerge as being critically important to the biodiversity and ecological processes. These are obviously very limited in size as they are not only geographic islands above the surrounding lowlands, but also islands in a human-transformed environment. However, as the human population has increased so too has the pressure on land resorces. In the highlands, people are now tilling marginal lands: barley is sown up to 4,100m in the northern highlands[1] on slopes greater than 45°.

11. Besides agricultural crops, Ethiopia has the largest national herd of domestic livestock and cattle, in particular, in Africa. Overgrazing is increasingly obvious. In part, the number of cattle in the country results from the absence of fuelwood (what there was, say, fifty years ago with has largely been removed through human exploitation for fuel and construction), as most Ethiopian highlanders use cattle dung as their main source of fuel. As with agriculture and similarly because of land degradation, livestock are increasingly using the more extreme areas to graze – such as the high altitude Afroalpine area. Thus, in 2002, the livestock in a discrete area of the Bale Mountains reached an unprecedented density of 314 animals/km².

12. Besides the biodiversity reducing effects of erosion and increasing the abundance of invasive unpalatable species (Herlocker, 1990), overgrazing also increases competition between livestock and wildlife species (e.g., Williams, 1998). In addition, livestock and the domestic dogs that often accompany

[1] Thus, the highest altitude that barley is tilled anywhere in the world.

them increase the risk of disease transmission to wildlife species. Two rabies epidemics in the past 14 years have occurred among Ethiopian wolves by transmission from domestic dogs (Randall *et al.*, 2004), and this serves as a constant reminder of the seriousness of this threat. Dogs also pose a further, insidious threat to wolves through hybridization (Sillero-Zubiri & Macdonald, 1997).

13. Humans have hunted and killed birds and mammals, reducing their populations to a fraction of what they were 150 years ago. For example, the Grevy's zebra population in Ethiopia declined by 93% over a 23 year period (1,600 to 110 from 1980 to 2003, Williams *et al.*, 2003). Similar declines in numbers and range (although with less precise datasets) for many species, including, for example, African wild ass, Swayne's hartebeest, mountain nyalas and elephants (reportedly 90.5% declines of elephants in some populations in the country). The killing of animals has not just been for subsistence use or potentially as a buffer during famines. During (frequent) political upheavals in the region, the infrastructure of the national parks has been successively used and then destroyed by armed groups, who also kill animals for food. Further, because the national parks and wildlife populations held within them have been largely associated with repressive regimes (particularly the 'dergue', the military-Marxist regime of Mengistu Haile Mariam), the population vented suppressed anger by destroying park infrastructure and slaughtering large mammals (Yalden *et al.*, 1996). Finally, the transformation of the environment is culturally institutionalized: an officially sanctioned painting that hangs within the National Museum depicts the felling of a great tree that symbolizes the people's triumph over "feudalism and backwardness!"

14. The sum of these factors has resulted in a massive transformation of the environment, and it is estimated that as much as 97% of the original vegetation has been lost in the highlands (Williams *et al.*, 2005) and that 95% has been degraded in the eastern lowlands (Friis, 2005). The degree to which the natural vegetation and animal populations have been lost means that the region's diversity is acutely threatened. These threats and the root-causes of those threats are summarized below and analyzed in more detail in Annex 2. Underlying these root-causes is the basic set of pressures on natural resources from a dense and still growing population of humans, with extensive livestock herds, living with an absolute reliance on natural resources.

Table 1. Summaries of threats to biodiversity, ecosystems and ecological processes and their root causes.

Summary of threats	Summary of root causes
Unsustainable use of natural resources	Increasing demand for natural resources
Overgrazing by large livestock population	Overdependence on natural resources, few alternatives
Conversion of natural habitat, and consequent fragmentation and isolation	No regulatory ability, open-access
Protected area system is not fully representative of all ecosystems, there are gaps in coverage.	Poor agriculture planning, no inter-sectoral coordination, policy not harmonized, little political will
	No incentives for conservation by stakeholders
	No stakeholder participation
	Wildlife damage crops, no rewards

1.1.3 Ethiopia's Protected Area System

15. The historic international focus on the scale of poverty and destitution in Ethiopia begs the question: "is there room for a protected area system?" In order to answer this question, one must consider what such a protected area system could contribute to society. More precisely, one must consider the economic benefits that can be accrued from such protected areas. In Ethiopia, the answers are to be found not so much in the direct benefits that can be accrued, but from the economic costs that can be saved by protecting the environment.

16. From the outset, it must be clear that the government of Ethiopia – not only the present government but also previous regimes – believes that there is room for such a system. Indeed, the principal mechanism used by Ethiopia to respond to these threats has been through a network of wildlife conservation areas and priority forest areas. The sum of the area of the wildlife conservation and forest areas – a total of 14% of the area of the country – is above the global average. These areas contain sites set aside mainly for conservation, and others for sustainable use of resources (timber, hunting). Ethiopia has also expressed her commitment through her Constitution and through the ratification of a number of international agreements including the Convention for Biological Diversity.

17. Ethiopia contains the oldest records of conservation efforts and the oldest conservation area on the continent. The Emperor Zera Yacob (1450s) noted the loss of forest cover on what is now called Wuchacha Mountain. The forest was replenished at his orders using seeds and seedlings of *Juniperus procera* to create Menagesha Forest, which stands today (Gilbert, 1970).

18. More remarkably, although not quite as old, in the Guassa-Menz area of North Shoa, local communities developed a sustainable natural resource management system in the 17th Century. The system, known as Qero, allowed equitable use and distribution of natural resources (thatching grass, fuelwood and grazing) that were, and still are, important for the livelihood security of the community. By regulating exploitation of the area, the management system has also effectively protected the biodiversity of the Afroalpine ecosystem of the Guassa-Menz area.

19. When the Qero arose, it was supported by the authority of the Ethiopian Orthodox Church, a powerful component of this ancient society. The system declined in 1975 as a result of the Agrarian Reform of 1975, which was introduced under the socialist regime that came to power in the revolution of 1974. People that were previously excluded from resource use gained uncontrolled access through their constituent peasant association. When it became apparent that the resource management system was declining under the land tenure reform, the community responded by establishing the Guassa Committee, known locally as Idir. The Committee retained significant community representation, but was deemed acceptable to the political and social order of the socialist regime. The remarkable adaptation and subsequent persistence of the system suggests that it is resilient even in the face of significant political change (Tefera, 2001).

20. As elsewhere in the world, modern conservation efforts (Adams, 2004) emerged from the realization that hunting (both sport and subsistence) was having an impact on wildlife populations. Thus, in 1909 Ethiopia passed its first wildlife legislation designed to regulate 'sport' hunting – particularly of elephants. Despite this and up to 1944, the fauna and flora were still largely viewed as an infinite source of food and other materials, and as a source of sport for the upper echelons of society and expatriates in the country. The Preservation of Game Proclamation of 1944 reinforced earlier legislation to regulate hunting and to prevent the over-hunting of certain species.

21. With interest from international conservation organizations, pivotally UNESCO, the Ethiopian Wildlife Conservation Organization (EWCO) was established in 1964 (see history in Hillman, 1993a) to establish the network of protected areas. Because of a lack of wildlife management experience (cf. the experience that was built in neighboring Kenya and Uganda through their colonial pasts) the majority of the early work – the production of legislation and the designation of protected areas – was largely carried out by expatriates. It is only since the first batch of trainees returned from the Mweka Wildlife College in Tanzania in the early 1970s that Ethiopian nationals started taking senior positions within EWCO.

22. From the late 1960s to the early 1980s, EWCO has been pivotal in the formulation of legislation to protect the fauna and flora, and the designation, establishment and management of wildlife conservation areas. These areas were proposed as a result of various surveys that took place in the 1960s and early 1970s. The wildlife conservation areas focused exclusively on large mammals: the areas chosen were

those that still harbored extant[2] assemblages of mammals or those that harbored remnant populations of endemic and charismatic species. Thus, Simien Mountains National Park was established to protect walia ibex, Bale Mountains National Park to protect mountain nyala and the Ethiopian wolf, Yangudi-Rassa - the African wild ass, Awash – the assemblage of Soemmering's gazelles and beisa oryx, Gambella – the white-eared kob and Nile lechwe, and so forth (Hillman, 1993b). The table below lists the most important Protected Areas, a full list is in Annex 5.

Table 2. Summary of the major protected areas in Ethiopia.

Name	**Status ** = Gazetted**	**Size sq km**	**Region**	**Importance**
Bale Mountains	NP	2040	Oromiya	Afroalpine, dry montane woodland, moist montane forest: Mt Nyala, Ethiopian wolf.
Simien Mountains	NP **	225	Amhara	Afroalpine, walia ibex, Ethiopian wolf
Gambella	NP	5061	Gambella	Swamps, Woodland, lechwe, kob
Omo	NP	4068	Southern	Wood–Scrubland, Large ungulate assemblage, Elept,
Mago	NP	2162	Southern	Wood-Scrubland, large ungulate assemblage, Elept,
Awash	NP **	156	Oromiya/Afar	Semi-Arid thorn-bush, oryx, gazelle
Abiatta - Shalla	NP	800	Oromiya	Rift Valley Lakes, avifauna
Yangudi - Rassa	NP	4731	Afar	Arid
Nech Sar	NP	514	Southern	Savannah wildlife; Swayne's Hartebeest
Total Area NP	(only 2 Gazetted)	19757		
Alatish	NP planned	2000	Amhara	Woodland Savannah
Bebille Elephant	WLS	6982	Afar	Semi-Arid Elephants
Senkelle Hartebeest	WLS	54	Southern	Swayne's Hartebeest
Yebello	WLS	2500	Oromiya	Scrub and Bush Crow
8 x Wildlife Reserve	WR			Many regions
18 x Hunting Areas	CHA			All over, many on

[2] Despite exploitation and agriculture which had been practiced for a few thousand years – thus, as mentioned above, these were the areas that humans had found difficult to exploit.

				concession
58 x Forest Priority Areas	FPA	13,863		Only those with closed forest

23. In contrast, a large number of forest priority areas (FPA)[3] were established in the 1980s; by 1994, the government had classified 58 FPA covering 2.8 million ha (EFAP, 1994). Reflecting the predominant view of the time, forests were largely for human exploitation rather than protection. Thus, forests were not included in the more robust (wildlife) protected area network. However, the FPAs were largely nominal: three management plans had been written by 1994 for FPAs; only one was in the process of being implemented at that stage. The plans that had been developed were considered, in 1994, to be technically and financially unfeasible. The delineation of these areas was done primarily on maps; a few had been demarcated. None has been gazetted.

24. Forests were not the only gaps in the system. Other areas were beyond government control or little known (e.g. the Ogaden) and thus never included in the system. The NBSAP for Ethiopia prioritises the need for a review of gaps in protected area coverage.

25. Since this network of protected areas was proposed and designated, only two of the many 'national parks', 'reserves' and 'sanctuaries' have been legally constituted (or 'gazetted'), namely Awash National Park and Simien Mountains National Park. In reality the gazettement process has not had much impact – people are still in the parks – illegally in gazetted areas. Further, Simien Mountains National Park is recognized as a World Heritage Site[4] (Hillman, 1993b). It is important to note that whilst protected areas are declared and two are gazetted, the areas still have people, cattle, cultivation and settlement inside the borders. Rationalization of the protected area network (including re-classification and, where necessary, declassification), boundary revision, incentives for voluntary relocation and buffer zone planning all become critical issues for conservation.

26. The initial trajectory for the protected area system in Ethiopia was positive, but two (linked) pivotal issues have undermined the long-term success and sustainability of the protected areas. First and largely reflecting the political climate of the imperial and subsequent militarist-Marxist regimes, the management of protected areas was dictatorial, top-down and state-centric. As described in detail in the barriers section later in this document, the inertia of this state-centric approach has continued until today. Therefore, protected area management was done at the expense and exclusion of local communities, most notably, but also civil society organizations and the private sector. It was precisely this approach that led to direct reprisals by local communities during the 1991 change of government. The results were extensive damage to protected area infrastructure and the slaughter of wildlife populations – particularly in the Bale Mountains and Abiatta-Shalla National Parks, and Senkele Swaynne's hartebeest sanctuary.

27. Second, funding and the priority given to the environment (including protected areas) – with their knock-on effect for successful management – have been undermined by a series of geo-political events including famines, refugee problems, civil unrest, armed rebellions and war. This insecurity left many protected areas beyond the control of EWCO for great periods of time. For example, the Simien Mountains National Park was not accessible for eight years in the late 1980s and early 1990s (Yalden *et al.*, 1996).

[3] As part of the decentralization process, the National Forest Priority Areas have become Regional Forest Priority Areas; in some regions, decentralization has been taken to the woreda level, thus the areas have become Woreda Forest Priority Areas.

[4] It is notable that protected areas needed to be legally constituted to be eligible for World Heritage Site listing. Thus, given that other areas of global nature heritage importance were either not gazetted (e.g., Bale Mountains and Gambella) or were not included in the network (e.g., the Ogaden).

28. One by-product of the cycle of food aid dependency was a significant disconnect between protected areas and the development context in Ethiopia.

29. In addition to and partly as an extension of these pivotal issues, the effectiveness of protected areas – even the 'gazetted' national park – has been undermined because they were never adequately secured, staffed or equipped. Thus, legislation designed to protect the wildlife has proved impossible to enforce. With the (albeit not strong) focus on the national parks, the numerous 'wildlife reserves' and 'controlled hunting areas' are little more than nominal and provide no protection for the fauna and flora.

30. However, if the barriers identified in the development of this project (see later sections) can be overcome – including ensuring that the country's protected areas (and the gaps in the system) were fully established and administered, then the protected area system does have the potential to protect the globally important biodiversity, assemblages of species, ecosystem and ecological processes.

31. In order to design a project that will sustainably improve the management effectiveness of the protected area system of Ethiopia, the experience of relatively successful conservation initiatives was examined (see Annex 7 - Lessons Learnt – for details). A few examples are highlighted here.

32. First, the Ethiopian Wolf Conservation Programme (EWCP), based in the Bale Mountains, has demonstrated that working successfully in the difficult enabling environment of Ethiopia is possible. Information on Ethiopian wolves was first collected in the mid-1970s (Malcolm, 1988; Malcolm, 1976, 1977; Malcolm & Sillero-Zubiri, 1997), and the 1980s and early 1990s (Hillman, 1988; Sillero-Zubiri, 1994). These studies gave the EWCP (based from the Wildlife Conservation Research Unit of Oxford University) a foundation, which was bolstered by the acceptance and implementation of a conservation action plan (Sillero-Zubiri & Macdonald, 1997). Consequently, the responsibilities of the EWCP have evolved to ensure the conservation of the Ethiopian wolf and its Afro-alpine ecosystem. This has been achieved by a two-pronged approach: i) assessing, addressing and counteracting threats to the survival of Ethiopian wolves; and ii) securing the conservation of areas of Afroalpine ecosystem, their biodiversity and ecological processes. The result of this ongoing work is to have stopped the decline in range and numbers (Williams, 2004).

33. Second, the Ethiopian Flora Project was initiated in 1980 (Friis & Ryding, 2001; Hedberg, 1967-1980; Hedberg, 1984) and has documented the majority of plant taxa in the greater Horn of Africa. This effort has been complemented by an ongoing compilation, review and assessment of the threatened endemic flowering plants (the Red List Initiative for Plants of Ethiopia and Eritrea, which, to date, includes 196 species listed as Critically Endangered and a further 135 species as Endangered, and which has added over 300 taxa to the IUCN Red List for Plants (IUCN, 2002)). The results of this work are being taken forward to identify Key Biodiversity Areas in the country; these results have obvious and important implications for the gap analysis incorporated in this project.

34. Third and important for this project, the Amhara Regional State has responded to UNESCO's conditions to remove the Simien Mountains National Park off the World Heritage Sites in Danger list in a dynamic way: i) they have created an autonomous parks authority to administer the parks, ii) they have extended the park through a participatory process to include further Ethiopian wolf and walia habitats, and iii) they are investing substantial amounts of funding into the site in partnership with the Austrian Development Cooperation. The decline in walia and Ethiopian wolves in the Simien Mountains are believed to have stopped as a result of this action. This sets a precedent against which the federal organization and other regions will be measured.

35. Fourth, the GEF –UNDP regional project (NGO-Government Partnerships), focusing initially on Important Bird Areas, demonstrated that local communities could, given the right incentives, develop sustainable conservation constituencies. Local Site Support Groups, in Berghe swamp, for example have greatly increased habitat for, and numbers of the white-winged fluff-tail - a wet grassland (semi-)endemic bird.

36. Finally, in response to the hiatus in forest areas there have been a number of community-based natural resource (primarily forest focused) management projects, led by FARM Africa, SOS Sahel and GTZ, that have led successfully to regulation of access to and use of resources. They are largely based on the identification of resources in a given area, identification of the stakeholders, and subsequent negotiation and legitimate agreement on access to and use of resources. Incentives are based on sustainable resource processes.

37. In conclusion, biodiversity conservation in Ethiopia is far from secure but there are definite opportunities and entry points for interventions, and cause for hope. This project has been designed to overcome the substantial barriers that have prevented effective management of the protected area system using i) mechanisms and methodology drawn from the experiences of these successful conservation programs and ii) the lessons learnt from a number of failed conservation efforts (see Annex 7).

1.2 Socio-economic and Institutional Context

38. The Federal Democratic Republic of Ethiopia supports a population of over 73 million people. Over the past 60 years, the population of Ethiopia has increased ten fold (from seven million in 1940 to an estimated 70 million in 2004). Current growth rate is over 2.2%. HIV/AIDS is a growing problem. Accurate information is scarce, but it was estimated in 1999 that 10.6% of the adult population were living with HIV/AIDS[5]. People are unevenly distributed in the country, with 85% of the people living in rural areas; and 80% (over 58 million) of the country's population live in the highlands.

39. The political history of Ethiopia is characterized by periods of instability and conflict.

40. Currently, the country has a federal form of government. The 1994 constitution (FDRE, 1994) pledged decentralization of political and economic responsibility from federal to regional governments.

41. The Ethiopian economy is based primarily on subsistence mixed agriculture and pastoralism, with a huge dependence on the natural resource base by rural communities. This is partly because of the lack of land tenure security[6]. The human population has put land, both for agriculture and for livestock husbandry, at a premium. Of the farmlands in the country, 94% are operated by seven million smallholders cultivating an average of less than one hectare. The country contains the largest national livestock herd in Africa, with over 30 million head of cattle, 24 million sheep, 18 million goats, 7 million equids and 1 million camels.

42. Ethiopia had an image in the late 1990s as a persistent centre of drought, famine and poverty. To some extent this has been overcome – in part by dealing with geo-political problems that underpinned previous famines – and, while Ethiopia still is subject to drought, there are now strengthened safety net processes in place with enhanced food security, prioritized in drought prone areas, supporting poorer sections of society and linked to improving drought early warning systems.

43. The country is very poor. It is listed as a HIPC country, with average annual GDP of less than US$ 100 per capita. The development strategy and poverty reduction program – the Sustainable Development

[5] Information from UNAIDS, World Health Organization.

[6] Land is allocated to households by the government, usually at the kebele level. Recent developments include the certification of land – thereby offering some land tenure security – to rural peoples. However, the certification is for a limited period only and offers no long-term land tenure security.

and Poverty Reduction Program[7] (MoFED, 2002) – proposed that economic growth and development in the country will be achieved through an Agricultural Development Led Industrialization (ADLI)[8].

44. The Government of Ethiopia has made considerable progress in the past few years to freeing the economy and attracting investors. For example, one sector that has been prioritized for growth over the past three years is flori- and horticulture. The result has been a boom with exports of flowers, in particular, to international markets. This has been on the back of major incentives given by the Government of Ethiopia in this sector and serves to illustrate the freeing of the economy and the encouragement of the private sector.

1.2.2 The Institutional Setting

45. The Ethiopian Wildlife Conservation Organization (EWCO) was at its strongest in the 1970s and early 1980s when it developed much of the legislation that is, at least in theory, in use today[9]. Through this time, the centrally based organization managed all wildlife Protected Areas, with staff transferred between HQ and the field protected areas. Political changes, documented above, hastened the marginalization of the system. The incoming government developed a federal, decentralized form of governance, creating nine autonomous regional states.

46. These regional governments were given control over their natural resources, including forestry and wildlife. There was little institutional linkage from the centre to the regional governments. Regional governments ran wildlife from within sections in their agricultural bureaus (mirroring, as was expected from the Constitution, the federal system), including support (staffing, funding, political support). EWCO only retained responsibility for protected areas which straddled across regional borders – thus, Awash National Park, Yangudi-Rassa National Park, Babile Elephant Sanctuary and Senkelle Swayne's hartebeest Sanctuary.

47. Since this time, EWCO had uncertain responsibility for policy, law, research and training. Most staff remained at HQ in Addis Ababa with little incentive to move to regional governments. Morale declined, management efficiency declined, and biodiversity continued to decline. The place of EWCO was uncertain, successive government proclamations moved the sector into the Institute for Biodiversity Conservation and out again. Funding was minimal. Staff sought other opportunities when they arose.

48. The year 2004 saw the formation of a Division of Natural Resources under the Ministry of Agriculture and Rural Development (MoARD). The division brings three closely related government organizations – the Wildlife Conservation Department, Forestry and Soil Conservation Department and the Institute for Biodiversity Conservation – together under the leadership of a single State Minister. Whilst some observers see this as a loss of autonomy (from EWCO to a government department within a division in a ministry), it has given stability and leadership. This strengthening allowed the passage of policy and law (that had been stuck under the old EWCO process) and prioritized the development of this project. (Note: the long drawn-out process in getting the PDF-B activity operational within EWCO).

49. Furthermore, the budgeting for the protected areas and the management organizations has increased. Over the course of the proposed eight year project, the baseline budget will be US$ 4,764,500 from government (both regional and federal). It is thus believed that the protected area sector will have appropriate absorptive capacity for this project.

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[7] Ethiopia's version of the PRSP – the development and poverty reduction action plans to allow country's to meet the Millennium Development Goals.

[8] In the forthcoming SDPRP II, the ADLI is being reconsidered for a broader approach to development.

[9] This will change when the current Proclamation is approved by the House of People's Representatives.

50. In addition to the state, there is an increasing NGO presence in the protected areas sector. Historically, this was confined to the Ethiopian Wildlife and Natural History Society (EWNHS), with an important role in advocacy and awareness creation. EWNHS, as the national BirdLife partner, hosted the successful GEF project on NGO-Government Partnerships, around community support (Site Support Groups) to Important Bird Areas.

51. There are also some dynamic, successful and innovative projects in natural resource management areas developed by NGOs – most notably SOS Sahel and FARM Africa. These are community-based participatory natural resource management systems that often build upon tradition systems. The lessons learnt from these important projects have been incorporated into this project design.

52. Academia has also been active, with biodiversity research being carried out in many areas of the country – including inside (e.g., walia ibex, geladas and Ethiopian wolf) and outside the parks (e.g., African wild ass). Addis Ababa University has also hosted several workshops highlighting the critical state of the biodiversity resources.

53. More recently, the government has entered into agreements to delegate the management of protected areas to the private sector. To date, only one agreement has been signed (for the management of Nech Sar National Park) while another is currently under negotiation (for the management of Omo National Park). The private sector organization is African Parks Foundation, (registered in Ethiopia as a private sector, commercial organization which largely draws off South African conservation expertise and European funding). The African Parks – government partnership will spread to include other protected areas over the coming months; African Parks is currently investigating a number of different options. They are primarily interested in areas with high tourism potential[10]. African Parks are providing significant co-finance to this GEF project, focusing on innovation at Protected Area level, while Stage 1 of this project focuses on the capacity of the system as a whole.

54. Finally and critically, there is a disconnect between the state and local communities. The results of this divide are: i) no community – government partnerships over resource management, ii) government wishes to dictate or impose regulations without consultation, and iii) without regulation and with the perceived state-centric government philosophy, communities operate at a plane different from that of the government – often leading to *de facto* open access to resources and their subsequent degradation.

1.2.3 Tourism in Ethiopia

55. Historically the focus of marketing tourism by the Ethiopian Tourism Commission (ETC) has been the globally important cultural and historical sites within the country. The link to nature tourism has been relatively tenuous. In contrast, and arguably a better indicator of its value, private tour operators spend a considerable portion of their marketing budget focusing on nature tourism. This includes the Parastatal Ethiopian Airlines, which for years as focused on Parks in its magazines.

56. Importantly, incentives similar to those in the horticulture industries are now being considered for the tourism industry. Tourism in Ethiopia is currently described as being the sector with the greatest potential for economic growth (SDPRP II). Indeed, the sector has been steadily growing – and was not affected by the recent international conflicts that had a significant impact in other countries. In response to this, the government has pledged to make tourism one its priorities for development in the coming five years (as covered by the up-coming SDPRP II). Further, it has pledged to elevate the Ethiopian Tourism Commission (the federal government body with the mandate to promote and regulate tourism) to the level of a ministry. In late July 2005, the BBC carried a special travel feature on Nature Related Tourism in Ethiopia, interviewing the Head of the ETC, and operators, talking about changing images (away from starvation and degradation!) to a land of huge biological diversity and amazing landscapes.

[10] See website < www.africanparks-conservation.com> for more details on their Ethiopian Operation

57. There are considerable opportunities in the tourism sector that have important implications for this project and for biodiversity conservation. First, the World Bank is developing a large tourism sector development project (with a budget in excess of US$ 50 million). This project has developed strong links with the World Bank office in Ethiopia[11] and has participated in various discussions regarding linkages from this conservation of PAS to the tourism project. Second, in the proposed upgrading of the ETC to a ministry level organization, there has been discussion about consolidating the linkages with the assets on which tourism in the country is based. This not only includes the historical and cultural sites but also the protected areas. Thus, it has been proposed and discussed that a ministry be formed that would include the heritage sectors (both natural and cultural) and the tourism regulatory body. The project development team and stakeholders continue to provide input to such an institutional change.

58. Tourism has far to go but the signs are encouraging. Tourist visa sales in 2003/04 were estimated to be 120,000 but have grown consistently since 2000. Up to 70% of these were visitors from the Ethiopian Diaspora; others were family or visitors to expatriates living in the country. While these visitors may not have a profound effect on the national economy (they do not use tour operators or hotels), they do visit tourist sites in the country, including protected areas. Details are in Annex 9 on Economic Analysis.

1.3 Policy Context

59. The focus of the Government of Ethiopia for the past 14 years has been largely on the freeing of the economy and dealing with food security issues. With the economy much more open than it was previously, and with a safety net food security programme in place, the government is now making substantial commitments to achieving the Millennium Development Goals (MDG) through the SDPRP process. Thus, while environment issues were discussed in the main document of the first SDPRP (MoFED, 2002), environmental targets and time-bound actions were not included in its indicator matrix.

60. In contrast and in response to this gap between the MDG and the National Development Policy Framework (NDPF), the government is refocusing SDPRP and has made the environment a sector in its own right with up to five main targets in the indicator matrix (as with each of the other development sectors). These are currently being drafted and will be finalized in the coming weeks but at present they include i) sustainable land management, ii) biodiversity conservation to be achieved through effective management of a protected area system that adequately represents the ecosystems, including forests, of Ethiopia[12], iii) management of anthropogenic pollution, and iv) mainstreaming environment in development initiatives. Because the donor organizations use the indicator matrix as the principal means to determine the performance of the government, the government must remain committed to ensuring the achievement of the targets in the indicator matrix. The inclusion of the protected area management effectiveness and representation presents a profound opportunity for project success and sustainability.

61. In addition, tourism has been also prioritized as a sector of focus for the SDPRP II – and will similarly have targets in the indicator matrix. Because of the linkage – which will be reinforced in this project – as these development initiatives, and as tourism and revenues generated from it grow, then protected areas will receive further attention and political will.

62. While the inclusion of tourism and the environment in the SDPRP II represents an important cusp for protected areas, in the past 14 years, the government has been making progress towards creating a climate in which protected areas can play the role that they should within the development framework of the

[11] Not only regarding the tourism project but also i) the Sustainable Land Management Program and ii) the proposed hydroelectric dams on the Blue Nile.

[12] Obviously the PDF-B team involved with the development of this project has been participating in the development of the SDPRP II indicator matrix.

country. Therefore, many key policies have been developed. From the outset, these include the 1994 Constitution which pledges:

i. "[The] government … shall have the duty to protect the country's natural endowments … and objects" (Article 91,2)

ii. "[The] government … shall have the duty to protect the environment" (Article 92, 4)

63. Further key policies include the National Conservation Strategy, 1994; the Conservation Strategy of Ethiopia, 1997; the National Biodiversity Strategy and Action Plan, 2005. The BSAP stresses the need for protected areas to allow conservation of resources, sustainable use and the equitable sharing of benefits.

64. Government has strengthened the decentralization process, with recent focus on capacity building. Recent policies recognized the importance of the NGO sector and the need for greater civil society involvement at grass roots level.

65. In addition to the decentralization process, the government has initiated a large-scale civil service reform program. The foundation of the reform program is for government agencies to adopt business planning principles as a means to ensure cost-effective delivery of results. The service delivery times across the majority of government agencies have been reduced as a result of the civil service reform program. These principles are very much akin to the business planning process that will be adopted in this project.

66. More recently and importantly, the government has taken a major step to provide further policy and legislative base for protected areas in the country with the adoption of the "Wildlife Development, Protection and Utilization Policy and Strategy"[13] and the passing of the "Proclamation to Provide for the Development, Conservation and Utilization of Wildlife"[14]. These policies allow institutional change within the sector, and specify a partnership approach – from all levels including centre to region, and from government to private sector (see institutional setting above) and (as a principle) to communities.

2 The Baseline Course of Action & Threat / Root Cause Analysis

67. The conservation baseline is around the protected area institutional and policy setting described above. This scenario has led to a continued land and ecological process degradation, decline in natural habitats and ecosystems, and resulting in reduction in the distribution and numbers of biodiversity as a whole, including wildlife species. A simple but important point is the uniqueness of the fauna and flora of Ethiopia; and once it has gone, this is irreversible!

68. The protected area network has not grown, no gazettement has taken place since 1970s and conservation planning has not been able to incorporate the results of biodiversity surveys, such as the Important Bird Areas and focus on endemic plants. The sector has not responded to broader policies such as the National Strategy for Conservation – there still are major gaps in the protected area representation of ecosystems. This catalogue of sectoral problems is analyzed in Annex 2: the Threats and Root-Cause Analysis.

69. This period of sectoral decline saw considerable donor support to the wildlife protected area system, but such project support was not aimed at the political institutional level to put in place a stronger enabling environment, but usually at a set of Protected Areas[15]. Whilst projects with strong leadership were able to achieve local successes (e.g., the EU support to Southern Peoples Region), the gains

[13] This was passed by the Council of Ministers in March 2005.

[14] This Proclamation was approved by the Council of Ministers in June 2005 and awaits passage through the House of People's Representatives.

[15] This focus on **areas** was what EWCO wanted this GEF intervention to do, in 1999-2000 at PDF B finalization.

evaporated after projects stopped and key staff moved on and success criteria were not mainstreamed in governance process.

70. Annex 7 presents an analysis of lessons learned from these donor initiatives, and lists most such interventions. Key lessons include the need to develop an enabling environment within strong institutions with political will. This requires conservation to have much greater integration in the national development agenda. Preceding paragraphs show that this is beginning to happen. In 2000 Government asked UNDP to include environmental issues within the Country Cooperation Framework – previous priorities were reconstruction of infrastructure and water.

71. The immediate time-span of project development has seen a relatively low level of donor support into the sector. Many projects stopped in the 2002-2003 period (overlapping with the start of PDF preparation), the UNDP Emergency Support to Protected Areas of US$ 1.3 million is a good example. Baseline conservation funding is therefore the ongoing government commitment to protected areas at federal and regional government level, plus the ongoing Austrian Development Cooperation project in the Simien Mountains. The baseline funding, therefore, is US$ 4,764,500 of government funding over the eight years (at US$ 595,556 per year) and US$ 981,499 from the Austrian Development Cooperation over the coming four years. Note that the government funding is *not funding in kind*[16] but actual funds. Indeed, the baseline has not considered the funding in kind; if this was to be included in the analysis, the sum would certainly increase.

72. The Sustainable Development Baseline is also changing. PDF B formulation was cognizant of the huge dependence of rural communities on natural resources, including within protected areas. In certain areas, there are communities that are chronically food insecure, with loss of assets undermining their long-term security. Recent changes include greatly increased support to rural development in both food security (through a safety nets program). In addition, there is increased will for the empowerment of communities and recognition of civil society. In the project preparation, the full development baseline has not been calculated despite the linkages in some instances.

73. In conclusion, the above factors present distinct opportunities for this project. The foundations on which this project can build are in place. But these are foundations alone: the baseline remains characterized by a number of barriers to an effective protected area system – as these policies and institutional arrangements do not make a protected area system. In addition, in some instances, there is a further need to amend the policies – for example, to broaden the types of government and to redefine protected areas. These barriers are examined in detail in the next section but perhaps the most immediate of these is the systemic lack of capacity and process to achieve effective management of protected areas.

74. These constraints are widely known and were noted during the development of the PDF B proposal. It is constructive to note GEF-Sec remarks at that time:

Extracts from GEF Secretariat Review for Pipeline Entry

It is unlikely that the proposed PAs system would be effective over the long-term. The proposal is full of good intentions for in-situ biodiversity conservation, but if issues of poverty, social unrest and security, macroeconomic frameworks and incentives, etc., are not addressed, there are few possibilities for the project to be successful under the conditions outlined in the proposal.

There is also some capacity and infrastructure in places that need strengthening to prevent further erosion at the national level.

UNDP should carefully explore the real absorptive capacity of EWCO and partners, the potential

[16] As assumed in the GEF Secretariat Concept Agreement Review

of social stability and interest of government to get a project of this size approved. Strategies to follow-up may include a phased approach with a first phase that tentatively address key capacity building needs or social issues.

The real possibilities of Ethiopia conserving and sustainably managing its biodiversity considering the tremendous difficulties the country faces related to poverty, social unrest, limited absorptive capacity, etc. are of concern.

For financial sustainability, the project could explore the possibility of strengthening a trust fund already established (it did not start). Social and political issues such as unrest would need to be carefully considered. Poverty and famine make the Secretariat wonder if biodiversity conservation is one of the key priorities of the Ethiopian Government at present. Addressing these underlying causes as part of the baseline will be key to project development.

These barriers are therefore addressed in considerable detail below.

2.1 Barriers to effective protected area system management

75. The barriers to effective protected area system management were identified in a highly participatory way in a number of different forums, and formal and informal discussions during the development of this project. These barriers (see table below) flow from the Threat – Root-Cause – Barrier Analysis in Annex 2. The main barriers can be summarized as follows:

Table 3. The general and specific barriers and their impacts.

Barriers – both General and Specific	Negative Resource Impact
A There is a disconnect between the protected area system and national development	Development forces (government and many donors) have seen little benefit in protected areas
A1 There is considerable marginalization of protected areas from society, and vice-versa, due to poor understanding of the benefits (existing and potential) from protected areas	Little political or local institutional support for protected areas; protected areas are not seen to contribute to development, but rather they are seen as a source of conflict Government at all levels is not aware of the existing and potential benefit flows from protected areas.
B Systemic capacity weakness at all levels	There is limited capacity to develop and implement policies and plans to overcome this history of marginalization
B1 Role of the state in protected area management is in conflict with community rights	State-community conflict has led to rapid and continued degradation of resources
B2 Limited categories of protected area and limited types of protected area governance	Degradation of forest ecosystems and ecological processes because of focus on mammals; community-based areas not recognized and thus degraded
B3 Poor institutional organization and coordination	Over-lapping and uncertain mandates lead to inefficient use of scarce resources for conservation.
B4 Limited business planning and financial knowledge management.	No financial sustainability, costs of protected area management outweigh revenues; and limited funds are not used effectively
B5 Little capacity or will to address the poor ecosystem representation in the Protected Area	Degradation of internationally important biodiversity, ecosystems and ecological processes outside of

System	protected area network
C Weak institutional capacity in the protected area sector at all levels or protected area management and conservation of biodiversity.	Unmotivated staff; poor protected area management as a result of no feasible strategies given size of problem. Little funding to implement innovation
D The Poverty – Population Issues Raised by GEFSEC (see box above) This is less of a barrier as other sustainable development support kicks in. In addition, protected areas in this project are broadly defined as those areas with biodiversity, ecosystem and ecological process conservation as their major objective. As such and given the pivotal watershed management role (critical in the mesic highland - arid lowland system that characterizes Ethiopia) that protected areas should play, the value of protected areas far surpasses biodiversity conservation alone. The disconnect between the realization of the government and donors to this role is already highlighted as a barrier and an outcome through which this barrier is overcome. Finally, while the rural people are still dependent on a natural resource base, recent efforts in community-based natural resource management systems have taken great steps to finding sustainable solutions to overcome this barrier. These lessons have been fully adopted by this project.	

The following pages describe these barriers, and their institutional setting and evolution, in more detail. This understanding gives greater insight as to where and what sort of interventions are possible. This analysis is based on the Lessons Learned process– see Annex 7.

2.1.1 Disconnect between the protected area system and development in Ethiopia

2.1.1.1 Marginalization of protected areas

76. Ethiopia is a very poor country with a burgeoning human population that is almost completely dependent on the natural resources found within the political boundaries of the country, and most often, locally. Because the linkages are not immediately apparent or because they have been taken for granted, the government, the donor community and development workers have overlooked the role that protected areas have in the development context. In addition, because economic and political forecasts and project cycles are short-term, they ignore longer-term ecological processes, ecosystems and biodiversity; primarily because they are little understood.

77. Therefore, in addition to the turbulent history of the protected areas, the environment sector in general, has been largely marginalized from the development context. Thus, in the Sustainable Development and Poverty Reduction Program (MoFED, 2002), protected areas were not included in the environmental section and only mentioned in passing in the tourism development section[17]. There was no mention of protected areas in the SDPRP indicator matrix. Given that the SDPRP largely determines in the development context in Ethiopia, including the areas of principal focus for the Ethiopian Government which, in turn, determines the focus for the international donor community, it is critically important that protected areas are including in the forthcoming SDPRP II – as indeed they have been. Inclusion into the SDPRP is also indicative of a move to mainstream protected areas in the development context in Ethiopia.

78. Protected areas have not been included in many cross-sectoral development projects where they should have played a critical role. Most significantly, the Ethiopian highlands are critically important as a watershed for millions of downstream users. Up to the present, despite the international recognition of the primary role that they can play, protected areas have not appeared as one of mechanisms of watershed

[17] The prime environmental focus in SDPRP I (2002) was drinking water. While national parks were mentioned in the SDPRP (in the tourism sector, in reference to the need to strengthen the parks, there was no mention in the indicator matrix).

protection in Ethiopia[18]. In part, this may be attributable to the lack of linkages among government organizations, but it is also indicative of the degree to which protected areas have been marginalized. Thus, they have neither been included in the watershed management or protection plans in any of the large-scale water development projects such as hydroelectric dams or irrigation schemes within the country nor have they been included in regional watershed protection plans. Protected areas should certainly play an important role in the upcoming national sustainable land management program.

79. Government, donor agencies and development workers have historically perceived and assumed that protected areas are for wildlife protection alone – perhaps justifiably given the rationale that underpinned their establishment. Thus, the linkage to the role that protected areas and biodiversity conservation should play in development has not been made.

2.1.1.2 Poor understanding and marketing of the benefits of protected areas

80. Historically, the benefits of protected areas have been largely neglected or misunderstood – hence their marginalization from the country's development context. This remains in stark contrast to the ancient natural resource management systems of which there are numerous examples in the country where local communities have worked to protect ecosystems or habitats through regulation of exploitation or harvesting because of the (usually not monetary) benefits they derive from them.

81. The state has focused solely on monetary benefits from protected areas. These have included: Park entrance (visitors and vehicles) and camping fees; hunting fees (concession fees, trophy fees); and forestry fees (mainly timber sales royalties and concession fees)

82. There has been no innovative development and marketing of other revenue-generating activities in protected areas. With the wealth of endemic and charismatic species in Ethiopia, there should be ample opportunity to do so. Examples could include i) visits to Ethiopian wolf dens, ii) observing feeding lammergeiers from hides and iii) trekking to sites of special interest. This, in turn, is underpinned i) in part by the lack of innovative business planning and ii) in part by the lack of involvement of the private sector. Innovation and marketing is further undermined by the linkage to the tourism sector is poor, even among the federal government organizations – the Ethiopian Tourism Commission and the wildlife, forestry and biodiversity organizations.

83. When services or products have been offered, there has been no market research into their value. The consequence has been inappropriate valuation relative to the market's 'willingness-to-pay'. An excellent example has been the sport hunting of mountain nyalas, which, with an estimated population of less than 3,000 are the most endangered mammal species available on a sport hunting license in the world. The current license fee for a mountain nyala is $5,000. Market analysis may, therefore, indicate that there is a 'willingness-to-pay' substantially more than this for mountain nyala trophies[19]. Indeed, given their current and declining status, it is imperative that the annual quota for mountain nyalas (currently at 30 males) is reduced; this should be compensated by a significant increase in the trophy fee.

84. The lack of vision and long-term business planning (with its associated investment and marketing plans) have resulted in no efforts to generate sustainable financing for protected areas. Funding was

[18] Note that the GEF supported Nile Trans-boundary Environmental Project (NTEAP), part of the Nile Basin Initiative, does see Protection and Sustainable Use as a key issue in watershed management. NBI – Protected Areas Project linkages are developing.

[19] The project preparation team estimated that there is a 'willingness-to-pay' up to US$ 100,000 per nyala (thus, nyala hunts could be auctioned as the most exclusive hunts in the world with a reserve of, say, US$ 80,000); this would be based on a marketing strategy to make nyala hunting the most exclusive sport hunts in the world. This would then allow for a reduction of the quota to, say, four nyalas per year – which would increase significantly revenue from sport hunting.

assumed to be something that the state should provide. With the limited revenues that have been accrued, in the history of the conservation areas in Ethiopia, they have never covered their own costs. Thus, somewhat remarkably, in effect the government has been subsidizing the protected areas albeit on very low budgets[20]. Yet when emergency rehabilitation was inevitably necessary (because of the other barriers presented here), the donor community was expected to provide injections of funds.

85. Thus, in conclusion, except for a failed attempt to establish a trust fund in the mid-1990s[21], sustainable financing mechanisms (either through tourism development or through other means such as trust funds, carbon trading, debt for nature swaps, environmental service charges or even investment plans to attract partners or donors) have not been sought. In contrast to the lack of innovative planning that has undermined the above, lack of knowledge of the biodiversity of Ethiopia has undermined any financing that might come from the field of bio-prospecting.

2.1.2 Systemic capacity weaknesses linking policy reform, sector coordination, business planning and knowledge management

86. Institutional capacity remains weak despite periodic injections of funding/technical expertise that most government organizations have received. When this is coupled with i) inappropriate definition of the optimal roles of the state, ii) institutional mandate drift, iii) periodic institutional re-structuring that has occurred and iv) the lack of business planning, institutional sustainability is undermined.

2.1.2.1 Optimal role of the state in protected area management and community resource user rights

87. Throughout the history of protected areas in Ethiopia[22], the state has dominated protected area management, at the expense and exclusion of civil society organizations, the private sector and local communities[23]. More recently, the government has taken progressive steps to allow delegation of protected area management to the private sector[24]. This is a first and significant step to redefining the optimal role of the state, and broadening the types of governance and partnerships that are necessary for a sustainable protected area system.

88. While the private sector may now be involved in protected area management, significant portions of society remain excluded. Most importantly, this has meant that communities[25] and civil society organizations (both non-governmental and community-based organizations) have been excluded from the establishment, planning and management of protected areas. Alteration of policy to allow for further types of governance that involve partnerships is therefore necessary.

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[20] The average budget across the protected areas is $30/km² (for example, Bale Mts US$ 12.4/km²/yr; Mago NP US$ 11/km²/yr; Omo NP US$ 6/km²/year; Gambella NP US$ 2.5/km²/year), with the exception of the Simien Mountains National Park, the budget of which exceeds the sub-Saharan average of $230/km²; recently, SMNP is also getting close to the point where it might begin to cover its management and operational costs from tourism revenues.

[21] This failed as the person with the mandate to lead the process was appointed elsewhere in the government.

[22] Thus, through the Emperor's time, through the completely centralised Derg and currently through the federal system; this is with the exception of unique, ancient and community-based natural resource management systems of which there are numerous examples in Ethiopia and which can effectively be considered as protected areas.

[23] And the damage caused in the 1991 change of government was in direct reprisal for this view.

[24] See the Wildlife Development, Protection and Utilization Policy and Strategy (MoARD, 2005); and with the agreement for African Parks to manage Nech Sar National Park.

[25] Which in the watershed highland-lowland system in Ethiopia may include communities that are separated from the protected area by significant distances.

89. The state-centric nature of protected areas has caused particular antagonism between local communities and the protected areas: local communities feel that their natural-resource dependent livelihoods are not only threatened because of the potential for or actual lost opportunities, or loss of access to resources, but also they perceive that any of the benefits gained from protected areas go straight to treasury coffers. The lack of transparency also means that the local communities are not aware that the reality has been that, because of the lack of innovative revenue generation, the actual revenues collected have been relatively insignificant.

90. The result is a duality: the government systems which do not have the capacity to regulate resources and the communities, which operate independently at a different level from the government. The communities respond to the perceived loss of opportunity by treating resources – including within the nominal protected areas – as *de facto* open access areas. This, in turn, has led to accelerated degradation of the resources and land.

91. There is no legislation, regulations or mechanisms to include communities in the management or in sharing the benefits of protected areas. This includes the recently approved policy and strategy, and the proclamation that is in progress to approval. It should be clear that benefits do not necessarily have to come solely in monetary form. Indeed, the examples of successful and ancient natural resource management systems in the country, none of which have monetary benefits for local communities, indicate strongly that other benefits are sufficient to lead to the protection of areas (the corollary of which is regulated access to natural resources). These and the natural resource management systems that have been recently established in the country[26], show that the following can be sufficient to lead to protection of resources: i) the right of use of or access to resources explicitly linked to the associated responsibilities and ii) the status and recognition achieved through being involved in the management of natural resources. Given this, inclusion of stakeholders in the planning and management processes will have significant effect on local community impacts in protected areas. Further, the same examples show that the process of inclusion and negotiation is more effective mechanisms of awareness creation than the delivery of traditional environmental education.

92. Despite the fact that it will take tourism – and other revenue generating activities - a number of years before it can significantly contribute to the national and local economies, legislation, regulations and mechanisms should be developed to ensure that as the revenue increases, the mechanisms are already in place. With stakeholder participation and transparency in the process, the local communities will comprehend that revenues are currently limited. This will, in turn, ensure that expectations are not unrealistically built.

2.1.2.2 Limited and inadequate categories of protected area, and poor ecosystem representation

93. The protected areas of Ethiopia were defined in the 1960s and placed into legislation in the 1970s[27]. As stated above, the focus at the time was on large mammal species or assemblages and not on biodiversity conservation. The recent wildlife legislation[28] adheres to these definitions. Similarly, in the forestry sector, the focus was on exploitation of resources rather than protection – leading to a policy of clearing natural forests in some areas to replace them with exotic plantations.

94. However, examination of the status of mammal populations in the country (Williams *et al.*, 2003) and recognition that it is the overall biodiversity of the country that warrants protection (Williams *et al.*, 2005), a shift from the paradigm of a split wildlife and forestry sector to a protected area system that has biodiversity, ecosystem and ecological process conservation as its major objective is necessary. This

[26] FARM Africa / SOS Sahel projects in Chilimo, Bonga and Borana; GTZ project in Adaba-Dodola in Bale.

[27] Negarit Gazetta (1972, 1974 and 1980).

[28] The Wildlife Proclamation that is waiting to be passed by the House of People's Representatives.

should not only accommodate core conservation areas – akin to the national parks or sanctuaries that exist under current legislation – but also limited harvest concession areas (for sport hunting and timber extraction).

95. The focus of the wildlife conservation areas - large mammal species or assemblages – also led to the exclusion of important biodiversity areas from the protected area network, particularly national parks. Most notably, these include: i) the forests of the south-west, ii) much of the south Bale forest blocks, iv) the *Acacia-Commiphora* woodlands of the east (Friis, 2005).

96. However, there remain profound gaps in knowledge of biodiversity of Ethiopia. Indeed, it can be justifiably argued that there is a good understanding of one species in Ethiopia: the Ethiopian wolf (Sillero-Zubiri & Macdonald, 1997; Williams, 2004). All other species, including large and charismatic species such as the mountain nyala, are poorly known. As an example, there are 20 endemic species of tree in the southeast of Ethiopia that are known from one individual only (Ib Friis, pers. comm.)! The knowledge gap will have to be filled before there is a real understanding of the gaps in the representation and coverage of the protected area system.

97. In addition to this, there has been no recognition and embracement of some of the spectacular and often ancient community-based natural resource management systems in the country. In many cases, these went 'underground' or disassembled with the Agrarian Reform of 1975. Despite this and perhaps because the systems are so old and well-founded, there are many successful (*de facto*) examples that persist within the country. Current legislation still does not recognize the major role these areas can play in biodiversity conservation and there is a need to allow for legitimate community-based protected areas.

98. Finally, there has been neither linkage to the other aspects of Ethiopia's heritage such as the cultural and historical sites (notably, Lalibela, Axum, Gondar[29]) nor inclusion of the outstanding biophysical features or monuments (e.g., Erta'Ale and Dallol) in the protected area system.

2.1.2.3 Poor institutional organization and coordination

99. Ethiopia is a federal country with regional states having the mandate to manage natural resources. At present, the majority of the protected areas are managed by regional states (with the exception of four areas which fall under the management of the federal organization). This is a potential barrier, for regional objectives in protected area management may not represent those of the nation or the international community at large. For example, there is no incentive for a regional government to plan tourism develop that bears any relationship with equally attractive assets but that lie in an adjacent regional state. Therefore, it is imperative that oversight for the system comes from a single organization that drives the overall vision for the system.

100. The decentralization of protected area management has had another profound consequence for the management effectiveness of protected areas. There is significant inequality in capacity and prioritization of protected areas among the regional states. For example, the Amhara Regional State has established an autonomous organization for National Park management. This has led to the Simien Mountains National Park being the best funded (at US$ 357/km²/year, with 58 permanent staff and 4 temporary staff covering a total of 205km²) and most effectively managed area in the country (see METT scores in Annex 12). In contrast, other regions consistently under-fund protected areas and their management effectiveness is low (again, see METT scores). For example, Gambella National Park is a poorly funded protected area (at US$ 2.5/km²/year, with 18 staff covering a total of 7,500km²)! This presents a significant barrier and this inequality needs to be reduced.

[29] It should be noted that there are gaps in the representation of cultural heritage sites as well – including some of the ancient terracing in southwest Ethiopia, of which the Konso terraces are the best known.

101. The isolation of regional organizations relative to one another means that there is no sharing of information and experiences among regional states. Poor knowledge management is the barrier here.

102. Despite mandate definitions that exist in legislation, institutional confusion and competition has proliferated and stifled productivity. Institutions have tended, with no consultation of other organizations, opportunistically to expand their remits beyond their defined role until they are in direct competition with other organizations.

103. Mandate drift is exacerbated by high staff turnovers as new people bring new ideas and influences. In addition, the lack of institutional inertia, particularly at a regional level where re-structuring has occurred frequently, has led to punctuated shifts in mandates. Once institutions have expanded their mandates, albeit in their own minds, they are reluctant to return to the originally defined mandate – usually because there is funding involved.

104. Competition is exacerbated by the lack of linkages among organizations. The absence of communication and linkages exists both horizontally (for example, among federal government organizations) and vertically (thus, among federal, regional, woreda and protected area levels).

105. Institutional competition has, on occasion, been acrimonious with people making attempts to discredit their perceived competitors. This, in turn, leads to a further effect: it results in limited stakeholder participation and involvement, particularly in processes such as developing policies, regulations and legislation. Thus, the experience and expertise that is available for consultation when undergoing these processes is not harnessed; on the contrary, it may even be perceived to be a threat.

2.1.2.4 Limited business planning and knowledge management

106. Many of the institutional capacity weaknesses can be directly attributable to the absence of business planning or results-based financing in institutions. Most often, institutions do not have staff with the appropriate training, expertise and experience to carry out the business planning that is necessary.

107. The absence of results-based financing has meant that while budgets for protected area management have mostly been insufficient, the funds that were available were badly managed and used. Linked with this, there have been no monitoring and evaluation systems of i) financial cost-effectiveness relative to results; ii) the effectiveness or efficiency of management in achieving results. The decline of mountain nyala in hunting concession areas, particularly in the Arsi range, is a good example. Whereas sport hunting companies pledge to protect 'their' resource, populations have declined and in some cases crashed. This is, at least in part, inappropriate setting of quotas and no monitoring of the areas.

108. Moreover, there has been inefficient use of knowledge. This is based in a number of factors:

1 Within organizations, there is no recognition of the value of their staff as intellectual or knowledge-based assets. More, there has been a heavy reliance on explicit knowledge, but not tacit knowledge: the intellectual or knowledge base that is the staff.

2 Moreover, mandate drift, with the associated recruitment of personnel, has spread expertise across many organizations. As discussed above, communication and linkage - thus, sharing of knowledge and information - among organizations is poor, again because of institutional competition.

3 Archival systems are antiquated – and there has been no move to digitise the information or archives. Further, the antiquated archival system of 40 years of the Ethiopian Wildlife Conservation Organization (EWCO) has recently broken down, leaving documents in chaos and irretrievable.

109. Finally, poor knowledge management and institutional competition have had a further negative effect. There have been no efforts to capture and disseminate knowledge, or replicate good practice among organizations, both among regions or from regions to federal levels. One consequence has been limited stakeholder (not only with private, civil society or community stakeholders but even among

federal and regional government organizations) involvement and participation in the development of the policy, regulatory and governance framework.

2.1.3 Weak institutional capacity

110. There are a number of aspects that relate to management capacity that also undermines institutional capacity. In general, the majority of these can be attributed to inadequate definition of people's roles, responsibilities and the results expected from them – all of which may be linked to a lack of appropriate planning. In addition, when results are demanded from staff members, the tools to complete the tasks are often not available; once again, this is linked to poor planning and inappropriate budget allocation.

111. Government human resource policies are also limited and inflexible. Changes to staffing within institutions is almost impossible and managers do not have the flexibility to spend their often limited budgets where is most necessary.

112. Further, there is a perverse disincentive for people to carry out their tasks. Indeed, it is perceived to be a 'safer' option to do the bare minimum rather than extend and consequently expose oneself.

113. The result is that among government workers, the following symptoms are frequent:

- Lack of motivation, Personnel not assuming roles or responsibility, and lack of commitment

These, in turn, may stem from any one or a combination of the following:

- Lack of incentives for managers or staff, inadequate or poor leadership, and resistance to change, and disbelief that change is possible.

3 The GEF Alternative

114. The development of this project document has been jointly financed through UNDP/GEF (through a PDF-B grant) and the government of Ethiopia. The preparation of the project has been highly participative through a number of formal and informal forums and discussions. The preparation commenced in November 2004. Much of the background information was collected and analyses were carried out by competitively recruited national consultants. Contracts were awarded for: i) Capacity and Institutional Arrangements Assessment; ii) Community Linkage Assessment; iii) Demonstration Site Planning; iv) Sustainable Financing Assessment; and v) Gap Assessment. Further inputs were received from two international consultants that assisted with the capacity and institutional assessments and the sustainable financing options.

115. The project development team solicited input from a broad range of stakeholders through the project preparation, including people at the federal, regional and protected area level. Local community inputs were also sought from within and surrounding protected areas. A detailed lessons-learnt analysis (see Annex 7) was carried out as one of the principal objectives was not only to draw on the most recent international strategic thinking on protected area planning and effectiveness but also to examine i) what has worked effectively in the context of Ethiopia and ii) what does *not* work in Ethiopia. Thus, the solutions to overcome the barriers are strongly derived from good, already functioning practices from within the country in many cases. In some instances, the practices have yet to be adopted in the country – and might even be considered to be radical in the country context. However, in all cases, these are derived from good practice models elsewhere in sub-Saharan Africa.

116. The project will provide core strategic support to strengthen the protected area system of Ethiopia – defined as being the system of protected areas that have biodiversity, ecosystem and ecological process conservation as their major objective. While there are pragmatic and compelling financial arguments to focus on wildlife (taken in this context to mean, as elsewhere in sub-Saharan Africa, as large mammals) because of their pull on tourists, the state of wildlife populations in Ethiopia means that the wildlife

spectacles of East Africa do not exist at present. However, the value of the protected areas does not lie in its tourism value alone. On the contrary, the value of the ecological processes – and primarily watershed protection – is far greater than the revenue that tourism could provide.

117. Therefore, the project will move protected area management effectiveness from the low to effectively managed end of the spectrum. This will be achieved by i) providing an enabling environment (through mainstreaming protected areas in the development context in Ethiopia, policy amendment and development that provide for management partnerships, and the production of effective regulations) for effectively managed protected areas, ii) strengthening institutional capacity to plan, market, manage, regulate, and monitor and evaluate protected areas through cost-effective means, and iii) securing sustainable financing for the protected area system.

118. The project will ensure effectiveness by addressing the root causes of threats to biodiversity and has been designed to overcome barriers to effective protected area management as presented in the Baseline above.

119. The project is strongly in line with the SDPRP to provide support for economic growth and poverty reduction. It also confirms Ethiopia commitment to and assists Ethiopia's efforts to achieve the Millennium Development Goals (particularly Goal 7), the Convention on Biological Diversity, the Convention to Combat Desertification, its Constitution, the Conservation Strategy of Ethiopia, the Environment Policy of Ethiopia and the recent Wildlife Policy.

3.1 Goal and purpose

120. The GEF alternative takes its direction from the GEF guidelines for Strategic Priority 2 –i.e., "Catalysing the sustainability of the Protected Area System – as a whole". The preceding analysis clearly indicates the present non-sustainable state of the system (and how globally important biodiversity is being lost as a consequence). Analysis then detailed the many and complex barriers which prevent such sustainability. Barriers were largely related to marginalization, weak institutional mandates, inadequate policy process, weak capacity, and overall insufficient funding to meet real needs. The goal of this GEF project therefore is to overcome barriers in order to lead to a sustainable protected area system that contributes to national development.

121. The goal towards which the project will contribute is:

> ***'Ethiopia's biodiversity, ecosystems and ecological processes are effectively safeguarded from human-induced pressures and adequately represented in a sustainable Protected Area System that is contributing significantly to economic development, both locally and nationally'.***

122. The cultural barriers and mistrust that pervades Ethiopian society and the degree of the challenges to the sector mean that this goal can only be achieved in the long-term – hence the length of the project. Success is going to be based on the development of sufficient institutional capacity. Therefore, the project intends to use a staged approach to achieve such capacity and translate capacity into action and impact on the ground. Simplistically:

First Stage	Four Years	Developing institutional capacity and piloting field models
Second Stage	Four Years	Consolidation of models, up-scaling and replication of good practice.

Each stage will be monitored and evaluated. M & E will ensure that suitable indicators are demonstrably achieved to trigger the second part.

92. The first stage will focus on strengthening capacity to ensure the sustainable management of the protected areas. Thus, the social, environmental, institutional and financial framework for sustainability will be developed and enhanced during this first stage. In contrast, the second stage will consolidate and

ensure the sustainability of these aspects while replicating the good practice model for protected area development and management that will be adaptively developed and improved through the first stage.

123. More specifically, the purpose for the first stage of the project will be:

> **Enabling frameworks and capacities for managing the system of protected areas that have biodiversity, ecosystem and biological process conservation as a major objective are emplaced**

124. This purpose will be achieved through the following five outcomes:

- Protected areas mainstreamed in the development framework of Ethiopia
- Appropriate policy, regulatory and governance frameworks in place
- Institutional arrangements and capacity for protected area planning and management emplaced
- New protected area management options and partnerships piloted, and replicated through partnerships catalyzed across protected area estate
- Financial sustainability plan developed and demonstrated

125. Having achieved the above purpose, the purpose of the second stage will be:

> **Working in an enabled environment, sustainable management of the system of protected areas that have biodiversity, ecosystem and ecological process conservation as a major objective is ensured**

126. This second purpose will be achieved through the following four outcomes:

- Systemic capacity for protected area management consolidated
- Sustainable financing mechanisms contributing to protected area budgets
- Replication of good practice model across protected area estate catalyzed
- Protected areas mainstreamed across all relevant sectors.

3.2 Outcomes, outputs and activities

3.2.1 Outcome 1: Protected areas mainstreamed in the development framework of Ethiopia

127. The environment sector has been largely marginalized from the development focus in Ethiopia. This is particularly the case with biodiversity conservation in general and protected areas in particular. There is a need for the role that protected area can and should play in a variety of development work to be recognized. First and most obviously, because of the link to sustainable financing of protected areas, the linkage and incorporation of protected areas as a key element of the tourism development strategy for the country is essential.

128. Second, one of the threads running through this document is the role that protected areas can play as an important component in watershed protection[30]. This needs to be recognized by all organizations involved with development in the water sector. Thus, development projects, including irrigation schemes and hydroelectric dams, that require watershed management should incorporate protected area identification, establishment, development and management as a key component.

[30] Considerable work has gone into developing watershed based negotiations for fundraising tie-ins for hydro-electricity, clean water supplies, beverages and beer sales in many countries, e.g.,: Tanzania, Indonesia ,Philippines.

129. There are immediate opportunities which link to sustainable financing of the protected area system:

1 At present, the Ministry of Water Resources is planning the feasibility study for a large hydroelectric dam on the Blue Nile (and possibly other rivers). This development will be largely financed by the World Bank. Both the organization that is due to carry out the feasibility study and the country office for the World Bank has accepted, in principle, the incorporation of protected area identification, establishment, development and management as a component of the watershed management plan; if sufficient funds are secured, these could assist with the capitalization of a Trust Fund for protected areas.

2 In a similar way, the Nile Basin Initiative (and a developing GEF SLM project for Lake Tana area – IFAD)has opportunity to advocate for the development of protected areas for watershed management.

130. Third, a national sustainable land management program is currently being developed. This will be largely funded by the World Bank, but will include other bi-lateral donors. Once again, protected areas have an important role in such a program and should feature, not only strategically but also financially (which could similarly assist with the Trust Fund capitalization).

131. As an extension of this third point to adopt protected areas in the mainstream of development in Ethiopia, the areas will have to be incorporated into land-use planning frameworks. This is particularly important given that nominal protected areas currently comprise 14% of the land area of Ethiopia and even under a process of redefinition and reclassification of protected areas, they would comprise a substantial proportion of the land area of the country. This alone would warrant their inclusion into the land use framework.

132. This, in turn, requires the relevant other sectors to incorporate protected areas as part of their policy and strategies, and legislation. Awareness building, knowledge sharing and institutional linkages are key activities to ensure that these are fulfilled. The incorporation of protected areas in mainstream development can be first achieved through the adoption of the following indicators from the PASP into the SDPRP II[31] indicator matrix:

1 A 7% increase in the METT scores[32] across the protected area system by the end of the first stage

2 The protected area system will ensure adequate (≥ 7%) representation of all ecosystems in the country by 2015

133. However, one pre-requisite is the need for detailed and accurate estimates of the economic value of the protected area system (see below). This would include many protected area issues, but in the context of development in Ethiopia, would focus on the environmental services provided by the system. This is a NBSAP recommendation.

134. The outcome of mainstreaming protected areas in the development framework of the country is not only that protected areas will increase in coverage and representation, but the sector will also have access to greater levels of funding, particularly from the donor community. This, in turn, will enhance the sustainable financing of the system as, for example, capitalization of the Trust Fund increases.

135. The culmination of the mainstreaming of protected areas in the development context of Ethiopia will be the incorporation of biodiversity within the mandatory Environmental Impact Assessments (EIAs) both in development and humanitarian work in the country.

[31] This was discussed and accepted for inclusion into the SDPRP II thus representing a profound opportunity.

[32] METT is the Monitoring and Evaluation Tracking Tool for PAs, see Annex 12

3.2.2 Outcome 2: Appropriate policy, regulatory and governance frameworks in place

136. The recent wildlife policy and strategy, and the wildlife proclamation which is in progress[33] form a good foundation on which to build. Indeed, a majority thrust of the project shall be to assist the government in the implementation of the policy and legislation. However, as indicated in the barriers section, there is a need to further develop and amend policy and legislation. Indeed, the other outcomes for this project define the policy, regulatory and governance requirements. Once the policy, regulatory and governance framework needs are finalized, a detailed analysis these needs relative to the policies and legislation that exists will be carried out to ensure that the legislation that needs to be repealed shall be – thereby ensuring neither a conflict within policies or legislation nor that the policies and legislation being proposed is unlawful.

137. The key elements that need to be incorporated into legislation include the institutional restructuring that is necessary[34]. A key feature of restructuring is the formation of a "parastatal" organization. This may be defined as being as a semi-autonomous, quasi-governmental, state-owned enterprise or government-owned company[35]. They are essentially public sector organizations which incorporate some elements commonly found in private sector organizations. The organization would have the ability to become largely or entirely self-financing. However, until self-financing, innovative and sustainable financing mechanisms are in place, there will be a need for continued and even increased government funding for protected areas. With the establishment and comprehension of the development linkages from protected areas, this should be easily justifiable.

138. The resulting parastatal organization would be better managed, more efficient and more "businesslike". It would also become more participatory and accountable, with stakeholders other than the government being involved in setting policy and steering their actions. Most importantly, from the legal viewpoint, they would have: i) the ability to raise and retain revenue underpinned by transparent accountability; ii) the ability to enter into legal contracts (e.g., with the private sector), iii) freedom from government rules of human resource management – thus, the ability to hire, fire, promote, and set salary levels and other incentives without the involvement of the Civil Service Commission, iv) managers of protected areas have substantial autonomy but are judged on performance related indicators, v) individual protected areas work under business plans and principles such that if protected area managers exceed expected annual revenues, they can retain the excess for their own use (above a set amount that is returned to the overall protected area system budget to cross-subsidize less lucrative areas), and vi) governance by a Board whose membership includes government, academic, donor and non-government representatives using agreed criteria (rather than political or other vested interests). The Board will also be a vehicle to ensure linkages with cross-sectoral organizations – and, most importantly, tourism, water resources and land management – through representation of these sectors.

139. Institutional mandates will be re-defined clearly. Once defined, linkages need to be institutionalized to ensure that current institutional confusion among organizations involved in the environment sector and conservation in particular does not persist. A strong monitoring and evaluation framework will also ensure that organizations do not drift off their mandate but remain focused on results-driven strategies.

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[33] The proclamation at the time of writing has been approved by the Council of Ministers but needs to be passed through the House of People's Representatives before it is fully binding.

[34] Other aspects of the restructuring process are dealt with below; this section deals specifically with those aspects of the restructuring that requires policy or legislation amendments.

[35] The majority of the Protected Areas Authorities in Africa and elsewhere are parastatal organizations, including those of Tanzania, Kenya, South Africa and the United Stated of America.

140. The governance framework should not only include the formation of a parastatal protected areas organization, but also allow for types of governance beyond those allowed by the current legislation (see Table 4). This will, therefore, allow for a greater range of protected area management partnerships to be formed, particularly among public-private-community-civil society[36]. In short, the partnerships will define the optimal role of each of the partners in the protected area system and in individual protected areas, including the role of the state. Given the federal nature of Ethiopia, the role of the federal and regional governments should also be defined, ensuring that the regulatory role of the federal government is highlighted (Annex 11).

Table 4. Possible governance types for different protected area categories. Note that policy currently allows only those governance types shown in dark grey; policy will be amended to allow governance types shown in medium grey. Those not shaded are either not possible (because land tenure does not permit private ownership of land), or because the protected area category does not exist and is not possible (IUCN categories I and III; some of the transboundary categories).

Protected Area Category	Type of governance										
	A. Government			B. Co-management			C. Private			D. Community	
	Federal government	Regional government	Delegated management	Trans-boundary	Collaborative management	Joint management	NGOs and foundations	Research institutes & universities	Individuals & corporations	Indigenous peoples	Local communities
I – Strict Nature Areas/wilderness											
II – National Parks											
III – Natural monuments											
IV- Reserves for habitat or species protection											
V – Landscape protection											
VI – Reserves for Natural Resource Management											
A - Limited Harvesting Areas											

141. Re-definition of the protected area categories and, when necessary, re-classification of protected areas. Current categories include: National Parks, Wildlife Sanctuaries and Reserves, Controlled Hunting Areas and Forest Priority Areas. These adhere largely to IUCN Categories II and IV (see table above; the controlled hunting areas and forest priority areas do not fall under the IUCN categories).

142. However, these categories will be re-defined to provide adequately a conservation and social framework for protected areas in Ethiopia. One of the products from the project will be a 'toolkit' for social responsibility within protected area; the corollary of this is a good practice model of how protected areas can contribute to poverty alleviation. This is wholly necessary given the level of poverty in the country.

143. Further, the focus of protected areas in Ethiopia will shift away from the historical division between forests (with their emphasis on exploitation of timber) and wildlife (with their emphasis on assemblages of mammals or sport hunting). The resulting protected areas will have the following fundamental principles:

[36] It is notable that in every consultative discussion that was held by the project preparation team, the inclusion of local communities in planning and management processes was a priority for effective and, importantly, sustainable management of protected areas in Ethiopia.

1. They will have conservation of biodiversity, ecological processes and/or ecosystems as their major objective. Thus, the historic division between wildlife and forests will be eliminated.
2. They will have a direct or indirect but demonstrable impact on poverty reduction
3. Stakeholders, including local communities and authorities (woredas and kebeles), will be involved in the planning, management, and monitoring and evaluation. Stakeholder involvement will be based on partnerships that are formed in each protected area, and
4. They will build upon and, where necessary extend the existing protected areas.

144. Four categories of protected area will be defined (see Annex 11):

1. Landscape protected areas (which will always contain a core conservation area and a community-based natural resource management area and may also include limited harvesting areas); these are akin to the Man & Biosphere's 'Biosphere Reserves'
2. Core conservation areas (in which there will be no harvesting or use of natural resources; they will incorporate national parks, wildlife reserves and sanctuaries and identified forest priority areas of biodiversity conservation importance);
3. Limited harvesting areas (incorporating sport hunting concession areas and limited timber extraction concessions); and
4. Community-based natural resource management systems (incorporating natural resource management systems, whether they be traditional (such as Guassa-Menz) or ancient, or those that are currently fully functional in Ethiopia[37]).

145. It should be noted that trans-boundary protected areas will effectively fall under one or more of the above four categories although the management will be carried out jointly by the two nations. There are a number of potential trans-boundary areas but primarily Boma-Gambella and Dinder-Alatish.

[37] For example, the FARM Africa/SOS Sahel and GTZ models of participatory natural resource management.

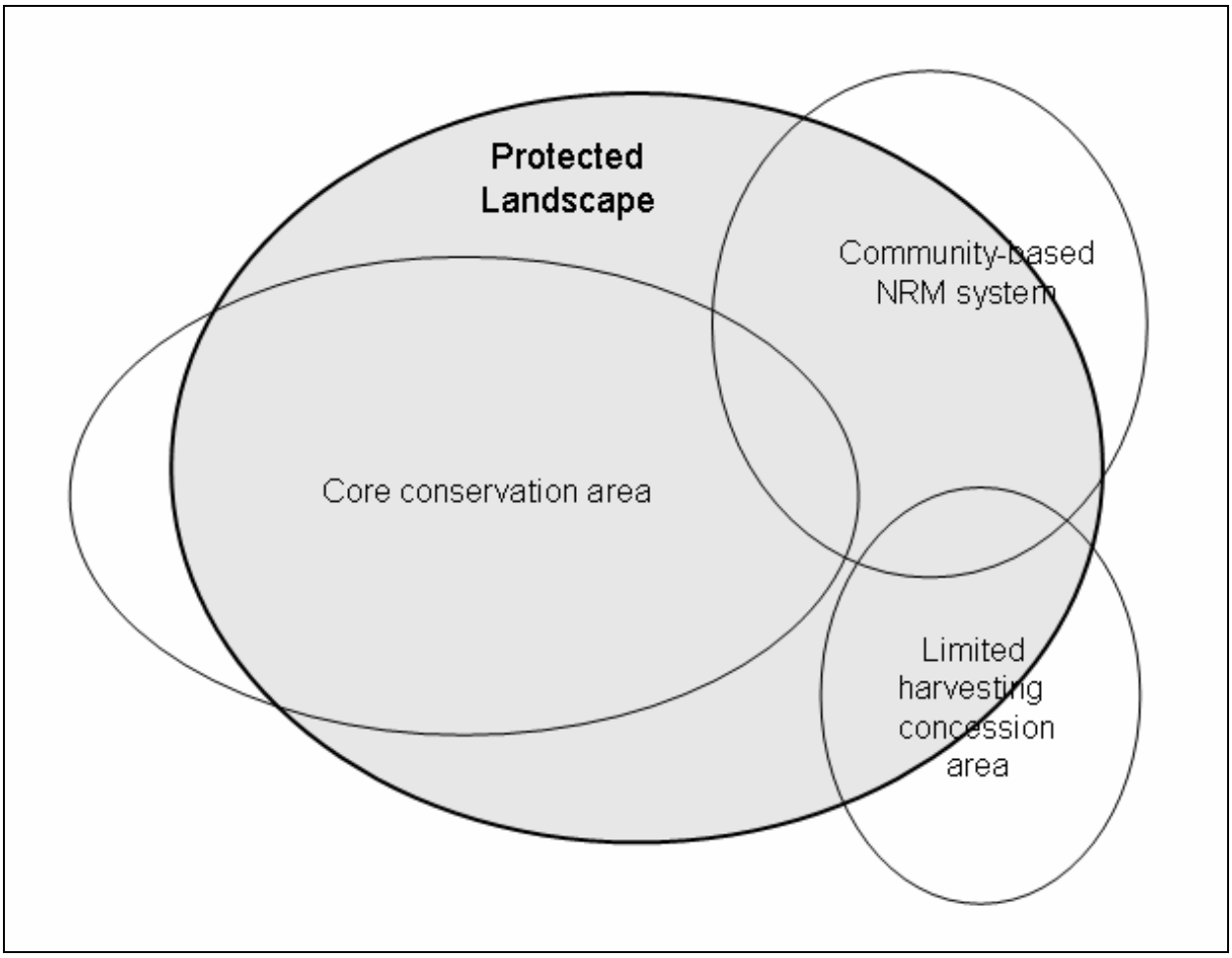

Figure 1. The broad model for re-defining protected areas within Ethiopia.

146. The implementation of protected area management will follow the following principles:

1 Each category of protected area will have its own management guidelines and framework suitable for the overall goal of the area (Annex 11)

2 Each area will develop and formalize partnerships (including but not restricted to public-private-civil society-community). The basis of the partnerships will be the negotiation of the optimal role for the partners in the management of the area

3 Protected area management will use conservation targets[38] to design eco-regional portfolios, and develop and prioritize conservation strategies (TNC, 2004). Conservation targets are defined as being specific components of biodiversity, usually consisting of ecosystems, natural communities and species within a given area that are identified by biodiversity experts. They are aspects of the area that if their conservation is assured, then they will ensure the conservation of the whole ecoregion. As such, they function in a similar way to the 'keystone' species concept.

[38] An example is the agreed conservation targets for the Bale Mountains: i) the riparian systems & watershed, ii) the Harenna Forest, iii) the Ericaceous belt, iv) the northern grasslands, v) the northern woodlands, vi) the Afroalpine ecosystem, vii) mountain nyala and viii) the Ethiopian wolf.

4 Human-induced threats – both direct and root causes - to the conservation targets will also be identified. Further, spatial mapping of the threats can identify the areas of the protected area with the greatest need for focused effort.

5 The management of the areas will be underpinned by business plans that will be developed for each protected area. The business plans will define the operational standards for activities. At the basis of this will be results-based financing – to ensure cost effectiveness. The business plans will seek strategies for reducing operational costs while also seeking strategies to increase revenues. Communications documents will be planned and produced to ensure that marketing and investment is appropriately planned and implemented.

6 Stakeholders will be identified, taking into account those people both in the local communities but also those that are dependent on resources far from the actual area (such as downstream water users who are dependent on effective management of watersheds). When there are ecological processes, ecosystems and/or biodiversity of international importance, the stakeholders will include the international community. Stakeholders – or their representatives - will participate in the planning and management of protected areas. Given that biodiversity, ecosystem and ecological process conservation is the major objective of the protected areas and given the conservation targets of any given area are the basis of conservation strategies, any human activities that undermine the value of the targets will not be negotiable (including use of core conservation areas where relevant).

7 The management of the areas will include stakeholder participation through the formation of joint management committees for each protected area. The committees will include but not be restricted to representatives from the identified stakeholders (as defined above). One key aspect of the joint management committees will be to ensure and consolidate linkages among cross-sectoral organizations and agencies.

8 Each protected area will identify relevant cross-sectoral issues and work to strengthen the linkages. For example, for a protected area that protects a watershed, the linkage will be established with the relevant water resource organizations (both governmental and non-governmental). The linkages will be formalized and the relevant representatives will be included in the joint management committee.

9 Because there are profound dangers of influxes of people and accelerated degradation during the planning and negotiation processes, moratoria will be sought on environment modifying activities (most importantly, agricultural expansion and settlement)[39].

10 In all sites and across the system, there will be a strong emphasis on monitoring and evaluation, and adaptive management. The World Bank/WWF Management Effectiveness Tracking Tool (METT) will be used as the principal means for monitoring the effectiveness of individual protected areas and of the system as a whole. The baseline for the system and for the majority of the existing protected areas in Ethiopia has already been determined through the plan development phase. The assessment of the areas will be done through re-application of the METT to the baseline areas every year through the project's life and will be institutionalized as the mechanism for monitoring effectiveness thereafter. In each site, there will be further monitoring of the conservation targets (or the ecological attributes for each target that are identified) and the threats associated with them. On a site-by-site level, both the METT for the site and the monitoring of its conservation targets and the threats associated with them will feed back into the adaptive business plan for the area. Further, lessons

[39] This is based on the principle that all the viable agricultural land is already occupied and that further expansion of agricultural land into marginal areas will lead: i) to land degradation, and ii) biodiversity loss. Such moratoria are akin to the moratorium on mining, forestry, agricultural expansion and settlement that has been imposed by the Madagascan government in all *potential* protected area sites for two years while the actual protected areas are identified for a list of potential sites.

learnt in each site will be fed into the development of the good practice model. At a system-wide level, the METT scores from across the system will be used to monitor the effectiveness of the system as a whole. Again, the monitoring will feed back into the adaptive protected area conservation plan.

3.2.3 Outcome 3: Institutional arrangements and capacity for protected area planning and management emplaced

147. This section deals specifically with i) developing the capacities of government, training and civil society organizations to ensure their ability to deliver on their identified mandates, ii) adapting and implementing the protected area system plan and iii) planning through the production of a detailed protected areas gap analysis through the identification of Key Biodiversity Areas[40]. As such, it will respond directly to the barrier of systemic capacity weaknesses linking policy reform, sector coordination, business planning and knowledge management.

3.2.3.1 Institutional arrangements

148. From the outset of the project, a key output will be the successful restructuring of government organizations to form a fully autonomous, parastatal protected areas organization (as defined above). This solution represents, in part, a scaling-up of and building on the successful model that has been developed in the Amhara Regional State. Here, the Amhara government has established an autonomous Parks Development and Management Authority.

149. Through the process, the optimal role of the state, particularly at federal and regional levels[41], will be clearly defined. The organization will adhere to the decentralized or regional structure of Ethiopia. Broadly, the federal organization will have a regulatory role, while the regional organizations will have the mandate for the implementation of the regulations, policy and legislation[42].

150. At a federal level, the organization should have the following mandates:

1. Oversight over the national protected area system
2. Production of policy, legislation and regulations
3. Planning, including developing strategies, annual workplans, managing tenders
4. Monitoring and evaluation, and regulation including of private sector operations (tourism and limited harvesting concessions)
5. Financial management, including receiving and managing revenues, raising funds, dispersing budgets
6. Human resource management, including coordinating and incentive based training
7. Oversight of field operations (law enforcement; community liaison)
8. Maintaining linkages with federal and regional organizations
9. Leading trans-boundary protected areas (although implementation may be done jointly with regional organization).

[40] For example, globally endangered plants and birds

[41] Noting that at the site level, the management will be executed by the protected area management authority with the oversight of a joint management committee.

[42] Such a structure mirrors situation in the majority of other federal countries – for example, South Africa, India, the United States and Canada. Further, it is similar to the decentralized structure in Uganda.

10. Being the country focal point for CITES and the IUCN
11. Facilitating and brokering research partnerships with international researchers

151. In contrast, the regional organizations should have the mandate to implement the regulations:

1. Oversight of the management of protected areas that fall within the region, including joint management (with the federal organization) of those protected areas that straddle regional boundaries
2. Identifying, establishing and managing regional protected areas (in contrast to the national protected areas, oversight, identification and establishment for which will be the mandate of the federal protected area organization)
3. Ensuring linkages with regional organizations and cross-sectoral agencies, including law enforcement authorities, including regional police and judiciary
4. Signing natural resource management and use agreements with local communities

3.2.3.2 Appropriate staff expertise

152. The restructuring process will give the opportunity to staff the protected area organizations will staff with the appropriate skills, backgrounds and training. Thus, the transition to the new organization will entail complete deconstruction of existing organization and the construction of a fully planned organization. This will ensure that there is "quality at the gate[43]" – hiring of staff with appropriate skills and experience through open competition. In order to ensure that there is no management vacuum at any stage of the process, it will be appropriately planned and executed. The protected area organizations will include i) business, finance, legal, marketing and investment, and management: typically these people will fill positions in the federal and regional organization, and they will have the capacity to manage tendering processes, ii) environmental economists: typically these people will fill positions in the federal organization, and in non-governmental organizations and academic institutions, iii) biodiversity conservation and ecologists: typically these people will fill positions in the federal and regional organizations, at least one per site, and in non-governmental organizations and academic institutions, iv) socio-economists: typically these people will fill positions in the federal and regional organizations, and in non-governmental organizations and academic institutions, v) scouts: in the protected areas themselves. More specifically, at the regional level, the staff needs include managers and accounts, while at the site level, managers, ecologists and scouts are necessary

153. Not only will the organization be staffed with appropriately experienced people, but they will fill positions with clearly defined and appropriate remits. The remits will be results-oriented such that they contribute to the overall business plan for the organization. In addition, positions with appropriate remits will be created to ensure that linkages among relevant organizations (including vertical – i.e., federal – regional – protected area – and horizontal at each level) are established and institutionalized.

3.2.3.3 Capacity development: training

154. While the re-structuring at federal and regional levels will strive to fill the positions will people with existing expertise and experience, training will be an ongoing institutional development process, not only within the administrative offices, but also at the protected area site level. Thus, training outputs will respond to the needs of the different sections along the protected area system chain.

[43] Similar complete overhauls of staff of protected areas authorities were carried out in similar strengthening projects in Kenya (WB – PAWS), Uganda (GEF PAMSU) and Rwanda, for example.

155. The capacity of in-country training institutions shall be strengthened in order to ensure that training can be cost-effectively delivered and to ensure sustainability. The following institutions will form the focus of the capacity development:

1. Wondo Genet Forestry College (MSc in Wildlife Conservation)
2. Scout training centre (location to be decided – but possibly in Alledeghi because then co-financing could be sought from African Parks who are considering submitting a proposal to manage the area; it is also ideally situated with ease of logistics and travel for trainees).
3. MBA training institutions (marketing, business planning and investment; managing tendering processes)
4. Addis Ababa University, Environmental Economics Policy Forum for Ethiopia, and Ethiopian Development Research Institute (EDRI) (Environmental economics, twinned with University of Göteborg, Sweden; Socio-economics; plant systematics & surveying - Ethiopian Herbarium; vertebrate & invertebrate systematics & surveys – Biology Department; Law enforcement & judiciary - Law Faculty)
5. Wondo Genet Forestry College (natural resource management – twinned with Mweka Wildlife College, Tanzania)

3.2.3.4 Capacity development: tools

156. Training alone is an inadequate form of capacity development. Staff must have the tools to fulfill their remits, and the institutional and policy environment must be enabling. This section deals with the tools for capacity development, while the institutional and policy issues are dealt with above.

157. Here "tools" is broadly defined as anything that will ensure i) attraction of experienced and qualified people to positions within the protected area system, ii) motivation, dedication and professionalism in their tasks and iii) the ability to complete tasks efficiently.

158. The protected area organization will have institutionalized training and incentive mechanisms. These will be coupled with a stringent performance evaluation, relative to annually set results or targets. Overall, this will capacitate the staff members.

159. The project alone will have an effect of re-branding the protected area system. This will help ensure that working in the system will be attractive to experienced and qualified people.

160. Finally, organizational operational budgets will include maintenance and replacement of equipment. Therefore, while at present the government may not have the financial wherewithal to purchase the equipment and tools necessary to capacitate staff (which will, therefore, be covered by GEF funds), the replacement and maintenance of that equipment will be possible simply through efficient budgeting and planning.

3.2.3.5 Capacity development: stakeholders

161. This proposal purports to have a four-stage protected area planning process: i) identification of key biodiversity areas, ecosystems and ecological processes, ii) stakeholder analysis, iii) negotiation and agreement with stakeholders, and iv) implementation.

162. The capacity of the stakeholders to enter into negotiations cannot be assumed, particularly in a country with a history of subjugation of rural communities. Thus, negotiations will be mediated by independent organization that will ensure that the communities are fully aware of what is at stake, including the environmental framework in which the negotiations take place.

163. In addition, stakeholders will be involved in implementation of management practices. Their capacity to adequately carry out their roles will be developed.

3.2.3.6 Planning: protected areas system plan adopted and implemented

164. Having completed the restructuring process and built the capacity of the protected area authority, this project document will be used as the basis for an adaptive protected areas system plan. The PASP will be further developed, making use of business planning principles – akin to the business planning already adopted by the government as part of the civil society reform program – and include (but not be limited to):

1 Mechanisms for rationalizing the protected area network, including creation and reclassifying (using the newly redefined protected area categories). The rationalization of the protected area system includes the further need for developing mechanisms to declassify those areas that have no functional value whatsoever and exist only on paper. The process for creation of a protected area will be by definition participatory. However, the process to reclassify and declassify areas will also need to be participatory and include identified stakeholders or their representatives. Further, an independent assessment of each reclassification or declassification will be carried out. In this way, biodiversity of national and/or international importance will not be inadvertently lost through the reclassification or declassification process.

2 Mechanisms to establish efficient, effective and financially sustainable private-public-civil society-community (i.e., stakeholder) partnerships within the framework provided by the fundamental principles and the guidelines for the categories of protected area (Annex 11). The mechanisms will include the legal framework for the partnerships, including model agreements that would be signed among the partners.

3 The guidelines for the management of the four categories of protected area (see Annex 11) will be adopted as regulations following a participatory process leading to them being agreed upon.

4 A model business plan to be adopted (and adapted as necessary) by protected areas (using the demonstration site plans as a baseline model). The business plan is primarily aimed at describing the way in which the protected area is to be developed, managed and financially resourced in order for management to enhance its operational efficiency and optimize its income generation, thus reducing its dependency on subsidy. The basis of this is the development of results-based management and financing. The business plan should identify and describe financial resources, and seek to make financial projections for viable and innovative tourism opportunities that would benefit biodiversity conservation. There will be an overall sustainable financing plan developed for each protected area to fit into the system's sustainable financing plan. Another aspect of the business plans will be to ensure incentives for protected area managers and staff.

5 Realistic monitoring and evaluation frameworks. The purpose of the monitoring and evaluation will be i) to demonstrate impact and ii) to provide feedback for adaptive management; the results of the monitoring and evaluation will be disseminated accordingly. The M&E frameworks will be dependent on the Management Effectiveness Tracking Tool (METT). In the first year, the METT will be adapted, as necessary, to the Ethiopian context. The scores will be compared to the baseline collected over the development of the project document and amended as necessary. Thereafter, METT scores will be collected for all protected areas in the country. Scores will be reviewed every year for the duration of the project and, given that it shall be institutionalized, with continue thereafter. In addition to the application of the METT, conservation targets (for details see Annex 11) will be developed for each site (primarily as a mechanism for designing the conservation portfolio at each site). The key ecological attributes and the threats to the targets will also be monitored in conjunction with the METT to ensure that the management is indeed having an effect on the biodiversity, ecosystems and ecological processes.

6 Plans for knowledge management within and across the entire system – and thus among protected area managers as well as the administrators. Enhancing, acknowledging and investing[44] in knowledge management shall be one of the principal keys to improving productivity of personnel. There are a number of key aspects: i) foster innovation by encouraging the free flow of ideas using appropriate and up-to-date technologies, and dissemination of the outcomes of this project; ii) improve service by streamlining response time; iii) recognizing the value of employees' knowledge and rewarding them for it; and iv) streamline operations and reduce costs by eliminating redundant or unnecessary processes. The knowledge management is they key to the replicability of this project – not only to adopt lessons learnt from within and outside the country, but also to ensure that the good and poor practices are picked up in the monitoring and evaluation and to facilitate adaptively the incorporation of such lessons to ensure impact. One key to successful knowledge management in Ethiopia will be ensuring the exchange of information and experiences among the protected areas and regional states (through exchanges, study tours, central training institutes).

7 An investment and marketing plan coupled with an independent tourism development strategy. This will develop innovative ideas for attracting investors and donors to the protected area system. In addition, at the site level, investment and marketing plans should also develop innovative ideas for generating revenue. At least one lodge (or other appropriate visitor accommodation) should be developed within or on the edge of each protected area. These should be developed on a public-private-community partnership level.

3.2.3.7 Protected area system gap and prioritization analysis

165. There are two barriers to be overcome in this section. First, the gap in the protected area system that has resulted from the historical focus of protected area on large mammal assemblages, and the split between wildlife and forests. Second, the need to fill systematically the gaps in knowledge.

166. The detailed analysis of the coverage and ecosystem representation of the protected areas of the country (taking into account the rationalization process), with the consequent identification of the priority gaps in the system will take place over the course of the first stage. However, the gaps analysis will be an ongoing, dynamic process and will be designed to incorporate new biodiversity data as it is collected.

167. The criteria for prioritization of the gaps (for new areas) or development of (nominal – thus ineffectively managed) existing areas will be agreed but will include: i) threats to the area, ii) fragility of ecosystem, iii) level of diversity and endemism, iv) ecological processes and services, v) economic, cultural and aesthetic values, vi) trans-boundary areas, and vii) areas critical for migratory species.

168. As information is gathered on the coverage and ecosystem representation, a systematic analysis of the environmental economics of each ecosystem will be carried out. This will ensure that the full value of the protected area(s) is accurately estimated – to further justify the designation, establishment and financing of protected areas. This information will, wherever possible, be supplemented by surveys and research for which the project may act as a catalyst or broker.

169. A small and participatory biodiversity research committee[45] will be established to oversee the establishment of these partnerships. Through networking and facilitation (with the assistance of foreign delegations in the country and foreign multi- and bilateral and non-governmental organizations), the partnerships will be actively sought, with invitations to selected institutions to work with Ethiopian institutions to fill these gaps in knowledge. Training Ethiopian nationals can be linked to the achievements while filling knowledge gaps.

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[44] With the knowledge that knowledge management should cost up to 10% of an organization's annual budget.

[45] With membership from government organizations (MoARD, EPA), academic institutions (e.g., AAU and Debub University), international delegations and NGOs.

170. The gaps analysis will have the following features:

1. The analysis will be based on a number of strategic partnerships established between Ethiopian institutions and institutions in other countries that have specific expertise in key areas. The objectives of these partnerships will be i) to ensure technology transfer and capacity development through training, and ii) to ensure delivery of the expected results of the analysis.
2. It will use a limited number of taxonomic groups to identify Key Biodiversity Areas (KBA). When possible existing data will be used. These include: vascular plant data (to be compiled and analysed by the Herbarium at Addis Ababa University); mammal data (using the Global Mammal Assessment data that will become available in 2006); amphibian data, bird data (building on the Important Bird Areas, IBAs, to be compiled with BirdLife International and the Ethiopian Wildlife & Natural History Society); invertebrate taxa, most probably including Odonates - chosen on the basis of: i) the knowledge about the group globally and ii) their use as indicator species. Where existing data is not available, partnerships will be actively established with foreign institutions, when necessary, to ensure that the gaps are filled.
3. Gap analysis will also consider the potential for trans-boundary protected areas (e.g., Alatish-Dinder, Gambella-Boma, Chew Bahir-Sibiloi).
4. Surveys will be carried out to ground-truth and/or augment these data when necessary
5. The gaps analysis will be designed in partnership and collaboration with the Africa specialists and Global Gap Analysis specialists in Conservation International.
6. The data will be compiled and analyzed in a GIS unit that is in part established for the gap analysis (but also for the monitoring and evaluation work).
7. Once a gap is identified, its economic potential and sustainable financing options will be analysed, including the environmental services that it provides.

171. The outputs of the gap analysis will be as follows:

1. Maps of the prioritized gaps in the protected area system, with the justification of why the area has been selected on the basis of KBA analysis using all taxonomic groups
2. The prioritization of existing areas in the network; prioritization will occur through agreed criteria but will include the value of the area (measured through the international, regional and national value of their biodiversity, ecological processes and/or ecosystems) and the degree of threat to the area.
3. Maps of the core conservation area in all protected area (because of its outstanding – thus, internationally, regionally or nationally important biodiversity, ecological process and/or ecosystem value); these are the areas where use of resources is not negotiable because it would undermine these values
4. Ground-truthed maps of the protected areas, after the re-classification process.

3.2.4 Outcome 4: New protected area management options and partnerships piloted, and replicated through partnerships catalyzed across protected area estate

172. Over the past eighteen months, there have been interesting and important developments across the protected area estate. These developments give a unique opportunity to test some of the new management options that are being propounded in this project document.

173. These include i) developments in Nech Sar and Omo National Parks in which the management and operation is being delegated to a private sector organization – African Parks; ii) the development of a landscape-level project in the Bale Mountains in which two civil society organizations – the FARM Africa / SOS Sahel Participatory Natural Resources Management Unit and Frankfurt Zoological Society – are working with the Oromiya State Government to partner with local communities in the identification of the core conservation area and in the surrounding areas working to develop sustainable natural resource management systems; and iii) the development of a legitimate community-based natural resource management area in Guassa-Menz under a partnership among the Amhara State Government, the local community and Frankfurt Zoological Society.

174. The developments in these areas are all independently funded (or co-financed). The partnerships that are implementing the projects have also been established.

175. Each of the areas has been included as demonstration sites for a number of reasons. First, Omo and Nech Sar are among the leading sites for the country for large-mammal orientated tourism, particularly because of their proximity to the south circuit for tourism – thus, those tourists visiting the cultural sites in southwest Ethiopia. Second, the Bale Mountains is the most outstanding biodiversity site in the country (Williams *et al.*, 2005). Finally, the Guassa-Menz area is an Afroalpine area of importance but it is also the community-based area that is furthest towards legitimate recognition by the (regional) government.

176. Because of the management options in each area, they are also being adopted as the trial areas for the development of a good practice model. For example, the Bale Mountains model is being adopted as the good-practice model when a private sector organization is not managing the protected area and as an example of a landscape-level project. Both Nech Sar and Omo will provide feedback for the private sector management option; similarly, Guassa-Menz will provide the good practice model for a community-managed area[46].

177. As a result of the adoption of these areas as good practice, the monitoring and evaluation of the effectiveness of these areas will prove critical to the success of the protected area system. Lessons learnt in these areas will thus feed back to adapt the each category within the model for replication in other sites in the country. It will be interesting to monitor the development in these areas compared to the other areas in the country where there will be no development over the coming four years. These areas in which there is no direct intervention will, therefore, effectively act as 'controls' for comparison (although there will be some activity as the capacity of the whole system is affected by the project).

178. The replication of the good practice model will focus initially in i) the existing and prioritized areas in the country and ii) the prioritized gaps in the network. The development of the partnerships in the Bale, Nech Sar, Omo and Guassa-Menz areas, and the mechanisms for securing co-financing for the areas will also provide be incorporated. The project will act as a catalyst or broker for the development of such projects in individual sites around the country by bringing partners together and providing the framework and guidelines for the development of the projects.

179. Finally, the project will also act as a key catalyst and broker in securing international recognition (e.g., World Heritage Site or Man & Biosphere) for eligible sites in the country.

180. In addition to these site-level demonstrations, the project will also aim to replicate good practice models among the institutions involved in protected area management, particularly at a regional government level. The current example of this is to replicate the autonomous organization that the

[46] In addition to the Guassa-Menz area, the project will work to engage all other *de facto* community-based natural resource management systems, whether traditional or not, for inclusion and recognition within this category of protected area. This includes the Adaba-Dodola area, the Bonga, Chilimo and Borana sites of the FARM Africa/SOS Sahel Participatory Forest Management Unit (PFMU), the Berge Wetland Sit Support Group, etc.

Amhara Regional State has developed for National Park management and operation. This project will take this model two steps further: i) to give it 'parastatal' status (thus, allowing it to operate under business plans, to benefit from revenues generated and to have a positive, incentive-driven human-resources policy), and ii) to broaden the mandate to oversee all protected area categories. Thereafter, the project will seek to replicate it as a good practice model among all regional governments and to scale-up to the federal government.

181. The above demonstration sites focus primarily on the core conservation areas and community-based natural resource management systems. In addition to these, over the first stage, the guidelines that have been developed for limited harvesting areas will be further developed into regulations. These will then be adopted in at least four limited harvesting concession areas. These areas will, in effect, be 'demonstration' sites for this management category with the aim of homing the regulations for replication across all limited harvesting areas.

3.2.5 Outcome 5: Financial sustainability plan developed and demonstrated

182. This outcome will respond directly to the barrier of inadequate and unsustainable financing for the protected area system and will produce four outputs: i) a plan of how the funding protected area system will be dispersed, ii) a Trust Fund for the protected area system of Ethiopia, iii) a marketing and investment plan for the protected area system and iv) a linked sustainable financing plan for the protected area system. The marketing and investment plans will be incorporated into business plans for the protected area system as well as for individual protected areas. The marketing and investment plans will focus specifically on self-financing, innovative and sustainable financing mechanisms to attract donors and investors in the system and among the sites.

183. From the outset, one of the principal aims of the project, as mentioned above is to mainstream protected areas in the development context in Ethiopia. This will be based on an understanding within the government of Ethiopia of the broad (including economic) values of protected areas for the country[47]. Therefore, while the organization will have the ability to become largely or entirely self-financing and until it has done so, there will be a need for continued and increased government funding for protected areas. With the establishment and comprehension of the development linkages that protected areas have, this should be easily justifiable. Two expected results of this will be i) a greater commitment from the government of Ethiopia to provide funding to the protected area system at least until the system becomes self-financing and ii) a greater opportunity for multi- and bi-lateral donors to focus some of the development aid funding towards the protected area system.

3.2.5.1 Finance disbursal plan

184. A plan will be developed on how the funding for the protected area system will be disbursed. The plan will be adaptive to the amount of funding available in any given year. The plan will take into account that, at least in the foreseeable future, funding for the system is likely to be sub-optimal (although the mechanisms listed below will ensure its growth over the coming years). The plan will, therefore, determine the criteria by which (initially limited) funds be dispersed among the protected areas. Criteria may include i) the degree of threat, ii) the value of the biodiversity, ecosystem and/or ecological process, and iii) the responsiveness and effectiveness of the management in the area (monitored via the METT)[48].

185. Similarly, the plan will ensure that individual protected areas can keep – for re-investment – funds over a given threshold; before that threshold is reached, the protected area will contribute to the system as

[47] Implicit in this is that there will be accurate estimates of the economic value of the protected area system.

[48] Akin, thus, to GEF's Resource Allocation Framework but among the protected areas within Ethiopia.

a whole. In effect, high-earning protected areas will subsidize low-earning areas; however, revenue above the threshold will be kept by the protected area for its own development.

3.2.5.2 A Trust Fund for the protected area system

186. A Trust Fund for the protected area system of Ethiopia will be developed and established. Given that this will in part be capitalized by GEF (US$ 1 million in the second stage, given that the Trust Fud will be established in the first), this will need to fulfill all the GEF trust fund requirements.

187. Detailed planning will have to take place, including how the fund will be managed and, most importantly, how the revenue accrued from the trust fund through the interest on the capital will be disbursed within the protected area system (see Annex 9 for details of establishing the Trust Fund).

188. The linkage between the project and the World Bank will be an important component in the trust fund capitalization. Therefore, importantly, as the linkage between protected areas and development is consolidated, the protected area system will be a recipient of funding (for example, from the watershed management component of the Blue Nile hydroelectric dam, from the Nile Basin Initiative, from large scale irrigation projects, etc). These funds will not only be used to develop protected areas in the target areas, but also to capitalize the trust fund – thereby ensuring the sustainable financing of the system, including the target sites.

189. In a similar way, linkages with other funding organizations (e.g., the African Development Bank (ADB), the European Union, etc) will be sought and consolidated.

3.2.5.3 Marketing and investment plan

190. The marketing and investment plans must be internationally comparable and competitive. Thus, for example, if protected areas in Ethiopia are to compete in an international tourism market, products that are unique (thus, conferring competitive advantage), and when not unique, at least comparable and competitive in the service that is being provided. This will require the input of international expertise and national capacity development in each of the fields for the investment and marketing plans that are based on sound market research. Thus, the products will be rationalized, adequately marketed and matched to the 'willingness-to-pay'. For example, the sport hunting of an Endangered species such as the mountain nyala can only be based upon: i) a demonstrable positive effect on nyala populations (through the protection that hunting concession areas offer them) and ii) significant revenue for the system (including key stakeholders). If either of these two aspects does not hold, then sport hunting of nyalas must stop.

191. A further point is that the investment and marketing plans will only be successful if they are circulated or brokered adequately. Partners[49] will be crucial to ensure that investment and marketing plans reach the most appropriate people.

192. The marketing and investment plans will include mechanisms for seeking and establishing tourism concessions in the protected areas. The emphasis will be on private-community-public partnerships.

3.2.5.4 Sustainable financing plan

193. The sustainable financing plan will be investigate determine the mechanisms by which the protected area system will be funded in perpetuity. The plan will be adaptive. It will also be based on the results of a study into the economic value of the protected area system and the environmental services that it provides (see protected area system gap analysis above). The plan will include the following aspects:

[49] For example, GTZ-IS, WCS, FZS, African Parks and other partners in the Protected Area System.

1 It will recognize and forecast government commitments to the protected area system, particularly as the link between protected areas (including the conservation of biodiversity, ecosystem and ecological processes) and development is consolidated and funding is demonstrated as a result.

2 The linkage between development and protected areas will be forged during the project process. This is expected to lead to sustainable financing for the protected area system as development budgets increasingly incorporate a protected area component. The financing may come in two forms: i) identification, establishment and management of specific protected area(s) linked with a development project (e.g., for protected areas within a given watershed for a particular dam or irrigation scheme), or ii) for assistance to the protected area system as a whole; including capitalization of the Trust Fund.

3 The CBD prescribes mechanisms countries can apply to recover the benefits to the global community of the pharmaceutical, industrial and agricultural use of biodiversity sourced from their biodiversity stocks. This project should base on these CBD mechanisms to repatriate global financial benefits of biodiversity conservation to Ethiopia to fund the proposed Protected Areas Systems Plan (PASP).

4 Innovative financing mechanisms linked to the environmental services provided by protected areas. For example, the Meta Brewery uses clean water that is, in part, provided by Menagesha State Forest. Such breweries could pay, say, 5% of the price to a conservation fund for watershed protection.

5 It will determine whether Debt for Nature swaps are possible; given that Ethiopia is listed as a HIPC and the majority of its debt has been written off, the 'opportunity' that debt presents may no longer hold.

6 The project will determine the carbon-trading opportunities for standing forests[50]. There are mechanisms for the sale of both carbon storage and conservation (off-market), and reforestation, afforestation and clean energy (on-market) carbon; these will be explored as potential sources of funds for protected areas management and conservation activities. Analysis during the BSAP process estimated a total annual carbon sequestration value of Ethiopia's forest area (including forest and wildlife protected area) at US$ 73.5 billion (Muramira and Wood, 2003). This amount of money indicates the bargain the Ethiopian Government has in her argument for international financing of protected area management in the country

7 The potential for IFC and IDA loans for partners and investors will be explored.

8 The sustainable financial plan will recognize that not all aspects of funding will be accrued to the protected area authority itself. Instead, there is a recognition that protected area or nature-linked products can contribute to the overall economy; if these can be demonstrated (through detailed analysis), then the government will be increasingly persuaded of the value of the protected area. Examples of such private capital flows are curios, artifacts and souvenirs.

9 Realization of the economic potential of the biodiversity genetic resources in Ethiopia. Studies have indicated, for example, that the potential international value of the genetic variation in wild coffee harbored in the natural forests of Ethiopia amounts to between US$0.5 – 1.5billion per year. However, this does nothing for the protection of the forests or for the protected area system as a whole if it is not realized. Thus, the marketing and investment plans will take into account and seek to realize these potentials.

[50] As opposed to reforestation or afforestation projects that are currently eligible for carbon-trading. The current carbon-trading means that there is a perverse incentive to clear-cut standing, natural forests (and investing the profits) and then to reforest the area using carbon-credits!

3.2.6 Triggers for the Second Stage

194. A subset of the project's indicators or triggers from the first stage that will be the key to moving to a second stage. The triggers will be:

1 The Ministry of Water Resources has amended its policy to include a protected area component for watershed management and protection.

2 Strategies for implementation of Wildlife Policy and Proclamation in place.

3 The Sustainable Land Management Program and Blue Nile Development are funding protected area establishment, development and management in relevant areas

4 A 16% increase in the METT scores for the four demonstration sites will be recorded by the end of the first stage

5 Six further sites (including at least two new sites) will be benefiting from co-financing and partnerships and will be being implemented using the produced and disseminated good practice model

6 The guidelines for limited harvesting (sport hunting and timber) concessions are agreed, in place and enacted in four concession areas which will act as demonstration sites for replication in the second stage.

7 All components of Trust Fund in place (see Annex 9)

3.2.7 Action plan to ensure triggers are met

195. The triggers have been specifically selected because much of the work to ensure their achievement has already started during the project preparation (PDF-B) phase. Thus, they are considered to be realistic and attainable, and with the achievement of the above outcomes, they will be secure. However, detailed actions to ensure their fulfillment are presented here:

196. Ministry of Water Resources policy. The project preparation (PDF-B) phase has made strong linkages with the World Bank and the Norwegian Embassy regarding the hydro-electric developments in the country. They have already agreed that protected areas should be an important component of the country's watershed management strategies. Given that these initiatives are driven by the Ministry of Water Resources, the formal adoption into policy should follow, with leverage from these two funding organizations. However, to ensure that this is achieved, first, under the new protected areas organization, people will be specifically mandated to continue to develop linkages with the other government agencies and donor organizations. Second, the implementation agency for the first stage is GTZ-IS. GTZ has strong relationships in Ethiopia with the Ministry of Water Resources as GTZ's environmental and natural resources programming in the country is specifically watershed management. Third, important cross-sectoral organizations such as the Ministry of Water Resources will sit on the board of the protected areas organization. Consequently, this aspect of the project is considered achievable.

197. Strategies to implement wildlife policy and proclamation. The implementation of this project represents the single biggest step to ensure the policy and proclamation are implemented – primarily because it works to increase the capacity of the government to do just that. However, the policy and proclamation (law) have been adopted by the Council of Ministers over the past five months – following a wait of a number of years (a draft was published in 1993). Thus, there are significant signs that the government is beginning to act in this sector.

198. The funding from Sustainable Land Management Program and Blue Nile Development. As with the hydro-electric developments mentioned above, linkages have been established with the relevant organizations (primarily, again, the World Bank and the Norwegian Embassy and also the CIDA/Ethiopian-Canadian Cooperation Office) regarding the Sustainable Land Management Program

and the Nile Basin Initiative with the aim to incorporate protected areas as components. As above, this has already been agreed in principle. The project will further build on and broaden these linkages.

199. METT score increases in the demonstration sites. The demonstration sites have specifically been selected because they are underway. Thus, the co-finance for their development is already pledged and the partnerships involved are already agreed. For example, in the case of the Bale Mountains, FZS has been working for a few months (over the course of the project preparation) to start work. Thus, the increase in the METT scores has been calculated by realistic expectations and results targeted in those projects.

200. Six further sites (including at least two new sites) will be being implemented. Again, this trigger accurately reflects current plans in the country, rather than expressing a wish. For example:

- African Parks is currently examining up to seven other (with three priority – Alledeghi, Gambella and Alatish) sites for development in the country; in addition, the Alatish area is already being developed by the Amhara Regional State as a protected area.
- Work has started through the project preparation phase to identify the most important area (in biodiversity terms) in the Ogaden area for a potential protected area; partners are currently being sought.
- There are a number of people and organizations already working in the southwest forests. Many of these organizations have expressed an interest to work under the guidelines developed in the project to establish a protected area in these forests.

201. All limited harvesting (sport hunting and timber) concession areas managed according to management framework. [This was amendment from the initial draft that we sent to GEF Secretariat in response to the comments that were received.] Given that the draft guidelines have already been developed (see Annex 11), the process is already underway and requires adoption in the concessions that are already established.

202. All components of Trust Fund in place. The process to establish the Trust Fund is given in detail in Annex 9. This includes the further and specific Trust Fund indicators that will need to be achieved to trigger its capitalization during the second stage. The achievement of these indicators is considered realistic given that there are i) lessons learnt (e.g., from the Eastern Arc Trust Fund in Tanzania and the Mgahinga Bwindi Impenetrable Forest Conservation Trust Fund in Uganda), ii) specific GEF guidelines for Trust Fund establishment, and iii) lessons learnt in the previous attempts to establish a trust fund in Ethiopia. It should be noted that this process is also underway, with the Ministry of Agriculture and Rural Development (Natural Resources Sector) having already submitted a letter to the Council of Ministers to justify establishing a Trust Fund for protected areas.

3.2.8 Outcome 1, Second Stage: Systemic capacity for protected area management consolidated

203. The triggers that allow the project to move to the second stage are proxy indicators of emplaced capacity. However, despite this it is apparent that without capacity being developed, the indicators will not be achieved.

204. It is also recognized that developing capacity is a continuum and that these triggers have been chosen because they will meaningfully indicate that a level of capacity has been developed and that an enabling environment is in place. This is important because in the second stage, the project moves from being Direct Execution (DEX) to National Execution (NEX) modalities.

205. Assuming that the capacity is in place, it will have profound consequences for the sustainability of the protected area system in Ethiopia. Therefore, having gone through the process of 'learning by doing'

during the first stage under the technical guidance of GTZ-IS, the national protected area organization will execute the project.

206. The protected area organization will then move to replicate the best practice models across the protected area estate, focusing on improving management effectiveness in the existing but currently nominal sites and extending the system to fill the priority gaps.

3.2.9 Outcome 2, Second Stage: Sustainable financing mechanisms contributing to protected area budgets

207. The second stage will see the implementation and demonstration of the innovative sustainable financing mechanisms that were planned in the first stage. As a consequence, funding will be being generated both at the higher organization but also at the site level. The funding that is being generated will be offsetting the previous funding that was almost exclusively coming from the government.

208. At a site level, sustainable financing will be sought to cover the recurrent costs of the management and operation of the protected area. However, protected area managers will be able to retain the excess for their own use – above a set amount that is returned to the overall protected area system budget to cross-subsidize less lucrative areas.

209. There will be a strong emphasis placed on financial mechanisms that do not need to be continually renewed (cf. donor funding). Caution will also be taken not to become heavily reliant on fickle sources of revenue such as tourism; thus, contingency plans will also be developed to ensure that if any given source of revenue (unless secure) were to fail, the protected area system or any given site would not collapse with no funding. Thus, wherever possible, the sustainable financing plans and the resulting funding will come from a variety of sources.

210. Part of this will be the capitalization through the second stage of the Trust Fund the foundations for which will be established during the first stage (see Annex 9). Thus, by the end of the second stage, the Trust Fund will be generating significant revenue for the protected area system.

211. As the project moves into the second stage, the demonstration sites will be in a position to demonstrate the possibly to generating revenue to offset the recurrent management costs that are incurred by the protected area organization.

3.2.10 Outcome 3, Second Stage: Replication of good practice model in protected area estate catalyzed

212. The good practice models for the different categories of protected area will be honed over the course of the first stage. First, the guidelines that have been produced in the project preparation (PDF-B) phase will be improved with additional stakeholder participatory processes and subsequently to produce regulations for the different categories of protected area. Second, monitoring and evaluation of the demonstration sites will be used to adapt their management and operations to build on processes that work and to replace those that do not.

213. As a consequence, the demonstration sites will result in a good practice models for each of the different categories of protected area that will be replicated across the protected area estate.

214. Just as in the first stage, however, direct funding for such development projects in individual protected areas will not be undertaken by GEF. Instead, as protected areas increasingly fulfill their role within the development context in Ethiopia, there will be scaling up not only by the government but also by donors in the country. It will, therefore, fall to the donors to assist financially with the catalysis process necessary to lift the protected areas from their current degraded state, including the new protected

areas that will fill the gaps in the system, to the point where they can achieve financial sustainability within the system[51].

215. The protected area organization will engage with potential organizations, both technical and donor, to establish partnerships across the protected area estate. Once the partners have been found, the established, best practice planning and implementation process will start: i) rationalizing the protected area, ii) determining the appropriate scale for the area, including the location of the key biodiversity areas, ecosystem and those areas important for ecological processes, iii) identifying the stakeholders, iv) entering into a process of mediated negotiation with the stakeholders regarding the management of the area and the category of protected area that should be implemented in the area, v) securing agreements with stakeholders to bind legally the management processes that have been agreed, vi) implementation of the management practices.

3.2.11 Outcome 4, Second Stage: Protected areas mainstreamed across all relevant sectors

216. Over the course of the first stage, the protected area system will become more visible in the country – not just within the development context. Marketing and communication practices will be implemented to ensure this is the case. In addition, the adoption of protected areas in the SDPRP II and in major development initiatives such as the Sustainable Land Management Program, the Nile Basin Initiative, the hydroelectric and irrigation developments will be important catalysts to increase the visibility of the sector and to further demonstration sites.

217. Most importantly, however, will be the demonstration that protected areas can play a role in poverty alleviation. Thus, the demonstration sites should not only protected the biodiversity, ecosystems and ecological processes - that are their major objectives (and which will only in the long-term be fully appreciated by the nation) – but also demonstrably have an impact on poverty alleviation among stakeholders, including local communities.

218. When this is coupled with effectively managed areas that people can visit and return impressed by wildlife populations, intact ecosystems and fabulous scenery, then the place of protected areas in the country will have taken a few steps to becoming more secure and sustainable. Different sectors will, as a result, be incorporating protected areas as a development strategy when environmental protection and revenue generation are important.

4 Risk analysis

Table 5. The key risks and mitigation measures

Risk	Rating*	Risk Mitigation Measure
Significant increases in external development pressure (resettlement programs, irrigation schemes, hydroelectric dams) on protected areas	M	Protected areas will be integrated into land use planning, primarily through the Sustainable Land Management Program. Linkages at regional level will be strengthened; joint management committees will be established at the site level. The M&E and communication system will provide an early warning of increasing pressure.
The process of amending policy and	M/S	Continuous policy dialogue between the UNDP-CO and the GoE;

[51] This is in recognition that not all protected areas will generate sufficient revenue to cover their recurrent costs – thus some will need to be cross-subsidized.

strategies, and proclamations to ensure an enabling environment, including decentralization and partnership-allowing governance framework is delayed		the project providing the support to ensure progress on and finalizing of drafts. The risk will also be mitigated through the DAG (donor assistance group) and thematic TWG (technical working groups) and the PAC, (project advisory committee), which will include a broad range of government agencies. Strategic use of lobbying and communications. Inclusion of protected areas into the SDPRP indicator matrix has assisted.
Qualified and dedicated people are not available from within the institutions or for recruitment	M	Institutionalization of training and incentive mechanisms, coupled with a stringent performance evaluation system will capacitate existing staff members. Protected area branding and reclassification of certain posts will also attract qualified and experienced people
Mortality and morbidity rates from HIV/AIDS related illnesses increases among the protected area staff	L	Development of institutional HIV/AIDS policy, and education and well-being program will improve the welfare of infected staff and decrease infection rates over a long term. HIV/AIDS succession planning based on the thorough investigation of the current situation will minimize the impact on protected area management of staff mortality and morbidity
Delay in the institutionalization of co-management arrangements with local communities	L	Development of clear co-management guidelines, including the establishment of joint management committees and the selection of representatives, using the Bale Mountains project as the good practice model.
Linkages among government agencies remain poor	M	Establish and institutionalize new cooperative governance structures among government organizations. Joint management committees with appropriate representation at a site level will ensure linkages. Create posts in key organizations the objective of which will be to maintain and monitoring linkages.
Continued *de facto* open access to resources in protected areas	M/S	Negotiation and legitimate agreements signed between local communities for access to and use of resources; agreement of local communities to boundaries of protected areas; joint management committees at a site level which include local community and authority representatives but also local judiciary and law enforcement representatives; M&E system will provide warning of use; increased law enforcement capacity.
Trophy hunting and timber harvesting continue to deplete wildlife populations and forests	L	M&E system will ensure conservation targets in limited harvesting areas are met; loss of concession or license to operate in Ethiopia if conservation targets not met; local communities benefiting from concession and involved in M&E
Tourism does not develop as hoped and tourist levies do not significantly contribute to the recurrent costs of the protected area system	M/S	Integration of private sector into legal and policy reforms, and planning processes builds confidence.
The protected area-development linkage is insufficiently developed to ensure that protected areas benefit financially	L	The DAG and TWG will work to institutionalize the linkages with the government such that protected areas are built into the policies of relevant government agencies. The linkage with the World Bank will be strong, again providing leverage.
Overall risk rating	**M+**	

*Risk Rating: L - Low; M – Medium; S – Substantial

5 Expected Global, National and Local Benefits

219. The conservation of the biodiversity, ecosystems and ecological processes through the protected area system of Ethiopia provides a range of benefits at the global, national and local levels. At a policy level, their conservation will assist Ethiopia in fulfilling its Constitutional, policy and international commitments[52].

220. The global community will benefit from the protection of large portions of two important biodiversity hotspots. The focus is species and genera endemic to Ethiopia that would be otherwise threatened with local extirpation or extinction.

221. The global community will also benefit from the protection of ecological services provided by the protected areas. Most notably, the protected areas will contribute significantly to the protection of the watershed in the Ethiopian highlands, and the slopes and valleys towards the lowlands. These are all critical and sensitive areas for the watershed. The global impact of watershed protection cannot be underestimated: millions of people in the lowland and arid countries surrounding Ethiopia are dependent on good management of these watersheds. Moreover, the benefits are not simply ecological or even economic but they are also of strategic importance.

222. The corollary of the above is that if ecological services are *not* protected, then the long-term costs far outweigh the short-term investments that the government or the donor community will have to make at this stage. There are numerous examples of this (e.g., the water supply of New York or Antananarivo). However, as described elsewhere in this document, Ethiopia exemplifies a dynamically interrelated highland-lowland system, with the lowlands being dependent on good management of water in the highlands. If the environment in the highlands is badly managed or not protected and becomes degraded, the flow of water off the eroded landscape is altered. Typically, the flow of water becomes accentuated: there is rapid flood during the rainy season; in contrast, rivers tend to dry up during the dry season. Seasonality of river flow, particularly of rivers that were previously perennial, has profound impacts on people and domestic livestock, and wildlife living in the lowlands. Their dry season range is much reduced. This concentration rapidly leads to degradation of rangelands surrounding the few areas with permanent water - which in turn leads to destitute lowland communities. Such a scenario is far from the realms of theory: in northern Kenya, lowlands communities have been food-aid dependent since 1973 as a direct result of mismanagement of watersheds in a similar highland-lowland system. The bill for such food-aid is the cost, therefore, of quick economic gains reaped by the highland people. Other examples abound – even from the Nile with the rapid siltation of dams and irrigation schemes because of degradation and erosion in the Ethiopian highlands.

223. The protected areas harbor genetic resources of global importance. One notable example is the wild coffee found within the forests of southwest and south-central Ethiopia. Given coffee was domesticated in Ethiopia and that the centre of endemism – and thus genetic diversity – is found within these forests, they are valuable to coffee growers the world over. Indeed, it is estimated that the annual value of this genetic stock (for outbreeding seed stocks to ensure diversity of plants in plantations) is between US$ 0.5 – 1.5 billion. For Ethiopia to realize the benefits from this potential, active marketing and investment plans are required to be implemented.

224. At a national level, on a very broad level, while all humans are dependent on the environment, the greater proportion (c. 85%) of Ethiopia's 70 million people live in rural areas and are directly dependent on natural resources for their livelihoods. In addition, the majority of the exports earning foreign revenue are dependent on the environment – primarily because they are agricultural and include the production of leather, coffee, khat, oilseed and pulses. A degraded environment, therefore, increases the vulnerability

[52] That this statement appears here is a tautology, of course, because Ethiopia made these commitments so as to enjoy the benefits listed here.

of the rural poor, deepens poverty and threatens exports. The conclusion is that protecting or improving the environment and working for the sustainable use of natural resources will reduce poverty

225. In a country where the cultural and historical heritage forms an important aspect of the strong national identity, the protected areas harbor much of the natural, living heritage. With a dynamic marketing program, the protected areas could equally become part of the national identity. For example, national symbols could be developed from fauna and flora, and emblazoned across the uniforms of the national athletics squad!

226. The people of Ethiopia, at a national level, will similarly benefit from ecological services (e.g., pollinators, clean water) provided by protected areas.

227. The primary national economic benefits are twofold: i) the payment for the ecological services provided by the watersheds in the highlands of Ethiopia, and ii) the financial benefit of a functional and dynamic tourism sector, taking into account that tourism has been identified as a sector with the highest potential for economic growth.

228. In addition to these revenue generating benefits, there are numerous economic *savings* to be gained through effectively managed protected areas at a national level. This includes the above ecological services examples given above. Further, the development of capacity at all levels will, in time, improve the efficiency and optimize the impact of management, allowing budgetary appropriations to conservation to be used more effectively.

229. Across the protected area system, from the federal to local levels, organizations and people (including local communities) will be capacitated to jointly plan and manage protected areas.

230. At a local level, there are profound benefits. First, the project will institute community-based natural resource management systems as a protected area category – drawing off the successes of the traditional and modern examples already established in Ethiopia. Local communities in these areas will be empowered to have access to and use of resources within the identified areas. The right to use resources – a benefit in and of itself – also comes with the responsibility to manage them sustainability. Again, having the responsibility to manage resources is a benefit (cf. the state-centric, top-down approach adopted by the government to present). Similarly, the inclusion of stakeholders in the planning and management of protected areas is a benefit for much the same reason.

231. This document has shown that the protected areas are found in the marginal areas of the country – the areas that humans have found it difficult or impossible to exploit to the same degree as many other areas in the country. As with the areas, the people living in and surrounding the areas are often marginalized and always among the poorest people in the country. Thus, even the smallest economic intervention in an area can have a profound impact on the local economy. For example, despite the fact that the Ethiopian Wolf Conservation Programme (EWCP) was a relatively small programme with a modest budget, it became and remains (with the Frankfurt Zoological Society project) the mainstay of the local economy in the Bale Mountains. When the economic impact of such interventions – or tourism – is planned, then the benefits can be significant.

232. However, tourism in Ethiopia is far from being developed; indeed, it may take 5-10 years before tourism is contributing in a substantial way to national or local economies. Thus, it is imperative that the project does not build unrealistic expectations at either the national or, more importantly, local levels. Indeed, local communities may have to undergo short-term benefit reductions as the use of resources is regulated or law enforcement improves in core conservation areas. Developments will focus, therefore, on the long-term benefits of the interventions. Again, this lessons draws off the successful FARM Africa/SOS Sahel participatory natural resource management projects in Ethiopia.

233. Finally, the protected areas of Ethiopia, because of the biophysical features and species they harbor, are of profound scientific interest and aesthetic value. To list these benefits last is somewhat ironic

because it was for these very values that the protected areas in Ethiopia were originally established in the 1960s.

6 Eligibility and linkages

6.1 Eligibility for GEF funding

234. The Government of Ethiopia ratified the Convention on Biological Diversity in May 1993. As a recipient of UNDP technical assistance, Ethiopia is eligible for GEF funds under paragraph 9b of the Instrument. Ethiopia is eligible or funding from the United Nations organisations.

6.2 Conformity with COP Guidance and GEF Strategic Priorities

6.2.1 COP 7 Guidance

235. Early in 2004, the CBD COP 7 made a declaration on protected areas that is very supportive of key elements of the design of this project. First is a general statement concerning their adoption of the new work program:

> "…the COP adopts the annexed work program with the objective of establishing and maintaining by 2010 for terrestrial areas…effectively managed and ecologically representative national and regional protected area systems…"

236. The work program consists of four program elements. Goals for each element that are most relevant to this project are the following:

Element One:

- Establish and strengthen national and regional systems integrated into a global network;
- Integrate protected areas into the broader land- and sea-scapes;
- Substantially improve site-based planning and management.

Element Two:

- Promote equity and benefit-sharing;
- Enhance and secure the involvement of communities and relevant stakeholders.

Element Three:

- Provide an enabling policy, institutional and socio-economic environment for protected areas;
- Build capacity for the planning, establishment and management of protected areas;
- Develop, apply and transfer appropriate technologies for protected areas;
- Ensure financial sustainability of protected areas and national and regional systems of protected areas.

Element Four:

- Develop and adopt minimum standards and best practices for national and regional protected area systems;
- Evaluate and improve the effectiveness of protected area management;
- Assess and monitor protected area status and trends, and;
- Ensure that scientific knowledge contributes to the establishment and effectiveness of protected areas and protected area systems

6.2.2 GEF Strategic Priorities

237. This project meets the requirements for GEF financing under Strategic Priority I (SP I): Strengthening National Systems of Protected Areas. It will build capacity at both national and local levels. It places a strong emphasis on building new public-private partnerships and improving the policy framework for such partnerships. It seeks to develop a new category of community-managed protected areas in the landscapes surrounding national parks and to strengthen the management of the existing GMA buffers. These new protected areas will be linked with park management and will enhance community incentives for the conservation of national parks. It will emphasize business planning and sustainable financing at both the protected area and the system level. Collectively, these actions are expected to make a major contribution towards progressing management of the protected area system, in terms of assuring management effectiveness, through capacity building and rationalization.

238. In line with the emerging guidance for SP1, the project has been designed using the following sequence of analyses:

- Description of the global biodiversity significance;
- Analysis of threats to biodiversity;
- Articulation of the approach used to tackle these threats;
- Analysis of the barriers to implementing the chosen approach;
- Description of the logical objective and outcome tree to address these barriers.

6.3 Linkages with other GEF initiatives and IA

239. UNDP has worked closely with the Government in developing GEF capacity (through for example the OFP support process, and in co-financing some of the recent CDW activity). UNDP Ethiopia works closely with the Ministry of Finance and Economic Development (MoFED) in the current GEF Coordination Committee.

240. This project has had close consultation with the World Bank in project development, with synergies in the fields of tourism and in watershed management.

241. Ethiopia has just completed the final draft of its Biodiversity Strategy and Action Plan (BSAP), as required by the CBD, but this has not been adopted yet by the Council of Ministers so it is not yet an official government of Ethiopia policy document. The BSAP has profited from close collaboration in addressing the protected area conservation process. The BSAP was developed with UNDP/GEF funding.

242. This project has benefited from experiences with other GEF projects in Ethiopia, most significantly the regional project NGO-Government Partnerships – which showed the importance of civil society in conservation. Indeed, one of the primary objectives of this project is to broaden governance of protected areas to allow communities to partner management and to redefine protected area categories to include community-based protected areas – in a similar way to the above project.

243. UNDP-GEF has consulted widely in the preparation of the document, and brought in specialist capacity assessment expertise from Uganda – learning lessons from the WB–GEF PAMSU project. Within house UNDP-GEF has learned from the development of other national BD1 projects (Namibia, Rwanda and Zambia).

244. Continued cooperation between the IAs will be important in the implementation of this project. The GEF Committee of MoFED will be instrumental in this regard. Cooperation will be enabled by asking key project leaders to be part of the Steering Committee for the project (see section on implementation). In particular, linkages will be made to APAI (UNEP-GEF) and the suite of other GEF PA projects across Anglophone Africa; there is potential for a BD1 “Learning and knowledge management practice” – copying lessons from the International Waters Focal Area.

6.4 Linkages with Ethiopia's priorities, policies and programs

245. The project supports the Ethiopia's SDPRP goals of economic development and poverty reduction, through support to the environment and the protected area system. This support, within a broader perspective, will contribute directly in achieving the Millennium Development Goal (MDG) No. 7 (ensuring environmental sustainability) at national level. More specifically, the government is refocusing SDPRP with the environment as a sector. Included as one of four primary environment indicators in the draft indicator matrix is "*biodiversity conservation to be achieved through effective management of a protected area system that adequately represents the ecosystems, including forests, of Ethiopia*."

246. This project also supports Ethiopia's developing tourism sector by laying a major foundation for tourism growth and hence employment. As with the environment sector, tourism has also been prioritized as a sector of focus for the SDPRP II.

247. The project supports several key goals and objectives of the National Biodiversity Strategy and Action Plan (2005). The BSAP stresses the need for protected areas to allow conservation of resources, sustainable use and the equitable sharing of benefits.

248. Additionally, there are further linkages with the 1994 Constitution which pledges:

iii. "[The] government … shall have the duty to protect the country's natural endowments … and objects" (Article 91,2)

iv. "[The] government … shall have the duty to protect the environment" (Article 92, 4)

249. Further key policies, in which the role of protected areas is highlighted (but to date never implemented), include the National Conservation Strategy, 1994 and the Conservation Strategy of Ethiopia, 1997.

250. Finally, the project aims to assist the government with the implementation of the recent Wildlife Development, Protection and Utilization Policy and Strategy and, if it is adopted, of the Proclamation to Provide for the Development, Conservation and Utilization of Wildlife.

6.5 Linkages with the UNDP Country Program and other interventions

251. The project links to UNDP's Country Cooperation Framework in the areas of good governance, decentralisation, public accountability, enhanced environmental protection and the sustainable management of natural resources.

252. UNDP in Ethiopia is playing a key role on overall donor – government coordination, through chairing the Development Assistance Group (DAG) and contributing to several thematically focused Donor Technical Working Groups, of which Donor Technical Working Group on Environment is an example.

253. UNDP was instrumental in creating the Food Security Safety Net for the most vulnerable people in the country. An improved natural base is critical to such support.

254. The project will be a major component in the framework of the developing UNDAF, which is currently being finalised for the period 2007-2010. Specifically it will contribute in the thematic area of *Vulnerability*, which is addressed in UNDAF in the context of the *Human Rights Based Approach to Programming* principles. Conservation of resources and diversification of livelihoods have been identified as country programme outputs in this context.

255. UNDP-Ethiopia supported capacity building targets for the programme on *Emergency Support to Wildlife Conservation/Utilisation & Development of a Trust Fund (ETH/94/006)* which ran from 1994 – 2003, with a budget of US$ 1.3 million. This project was conceived in the context of the Scenic Resources component of the National Programme on Resources and Population – Sustainability Balance

signed in 1994. The Wildlife resource intervention had a three-phased approach which included: 1) emergency support to selected protected areas; 2) restoration of wildlife sub-populations; and 3) the establishment of a trust fund for meeting recurrent costs of priority protected areas. The programme was implemented by Ethiopian Wildlife Conservation Organization (predecessor of Wildlife Conservation Department, WCD). The project provided emergency support to ten Protected Areas.

7 Sustainability

256. The project has been designed to ensure environmental, institutional, financial and social sustainability. Because of the challenges faced by development in Ethiopia, ensuring sustainability will be a long process – hence the length of the project. The stages also assist to achieve sustainability – as the first stage will focus on ensuring an enabling environment and building foundations, while the second stage will focus on consolidating and ensuring sustainability that is dependent on the foundations built in the first stage.

257. From the outset, the project is working to catalyze a protected area system the major objective of which will be the conservation of the globally important biodiversity, ecosystems and ecological processes. Consequently, the project will contribute significantly to environmental sustainability, in part, by protecting critical environmental services and specifically watersheds in the Ethiopian highlands.

258. The development of innovative mechanisms means that financial sustainability will be improved. Indeed, the economic fundamentals for the protected area system are good, particularly if the protected area-development linkage can tie in with sustainable financing mechanisms. This will be most effectively done through the gradual capitalization of a trust fund (see Annex 9 for details of the process to establish the Trust Fund) as other sources of funds, including the government, may prove insufficient. Many of the linkages between development agencies and protected areas will be brokered by the project.

259. The recent prioritization of tourism development bodes well for the economic sustainability of the protected area system. This will require linkages with the tourism sector to be strengthened and for innovative revenue generating schemes to be developed and adequately marketed. If this occurs, the linkage with the tourism sector will be consolidated. However, detailed analysis to determine accurately the 'willingness-to-pay' will be necessary before the fee structures are arbitrarily increased. Nonetheless, analysis during the study undertaken during project preparation indicted that protected area tourism could attain revenues in excess of ETB 4 billion per year (or 18% of the GNP). This would make significant contribution to offsetting the desired recurrent costs of managing the protected area system. Improved operational efficiencies, driven by business planning, will simultaneously improve protected area cost effectiveness.

260. As the Protected Area System grows in importance for Ecological Services, so will the government of Ethiopia's willingness to continue to cover – and even increase - the recurrent costs of the protected area system. Currently and somewhat surprisingly given the degree of marginalization of the biodiversity conservation sector, the government is subsidizing the protected areas of the country, albeit at low levels.

261. The project will also expand and consolidate linkages between the protected area management organizations, the private sector, civil society organizations and the donor community – thereby increasing the opportunities for new investments in protected areas.

262. The financial sustainability of the protected area system will be underpinned by the business planning principles that will be institutionalized through this project. A marketing and investment plan will ensure communication with appropriate organizations and people to attract investors and donors. In addition, at the site level, there will be an incentive for managers to perform optimally. Specifically, the revenue raised above a certain level (under which the revenue will be used to cross-subsidize those areas that cannot cover their recurrent management costs) will stay within the area for its development, at the discretion of the manager and joint management committee.

263. In contrast to financial sustainability, institutional sustainability will be addressed through policy and regulatory reform, and through ownership of the project. Institutional sustainability has been significantly increased with the adoption of the protected areas in the SDPRP II. In addition, the creation of a parastatal protected areas organization will ensure that stakeholders participate in the institutions to a much greater degree (see also lessons learnt for parastatal organizations in Annex 7). Further, institutional sustainability will be addressed directly through i) the rationalization of institutional arrangements, ii) the creation of a business-plan driven parastatal organization, iii) training offered through the project will enhance the skill base of the organization and to 'incentivize' staff, iv) the institutionalization of training within the protected area organization as an incentive to staff members. The project will introduce a performance-based evaluation system for staff members against annually agreed expected results. The branding of the protected areas in the country and the reclassification of certain posts will ensure the attractiveness of the protected area system for experienced and qualified people.

264. Social sustainability is of critical importance in Ethiopia because of the levels of poverty in rural areas. This is even more the case in the marginal areas in which the protected areas are found. In addition, it is the marginalized elements of society – women and the extremely poor – who are most dependent on natural resources for their livelihoods. Detailed planning of protected area management will ensure that these marginalized elements do not suffer excessive short-term costs through opportunity losses while waiting for the long-term benefits from protected areas, even if that is in the form of agreed and regulated access to and use of resources in community-based natural resource management areas.

265. Social sustainability will also be ensured through the participation and involvement of stakeholders in the planning and management of protected areas; this is described in the comprehensive Stakeholder Involvement Plan (Annex 10). In the highland-lowland system of Ethiopia, stakeholder identification is critical because often they are found far from the area itself – as is the case with the downstream water-users in the lowlands. Stakeholder representatives will participate in joint management committees at the site-level. Overall, the involvement and participation of stakeholders in the planning and management processes will increase the levels of ownership in processes – while moving away from a top-down, state-centric approach.

8 Replicability

266. In drawing off existing projects in Ethiopia – such as the natural resource management systems that have been established by FARM Africa/SOS Sahel and by GTZ, this project establishes a precedent of monitoring and evaluation, adopting and adapting lessons learnt (see Annex 7). In addition, the institutional and capacity analysis (see Annex 6) indicates that the semi-autonomous institutional arrangement of the Amhara Regional State is proving effective. Thus, this model will be scaled-up to be replicated among other regional governments and to the federal government. In summary, the replication of good practices forms the foundation on which the project preparation was built.

267. The project works across the system. Thus, replicability will occur at different levels but it is based on two key principles that have been included in the project design: i) knowledge management and ii) monitoring and evaluation.

268. However, the key means of verification of replication will be government and donor uptake, coupled with the replication of good practice models through the protected area estate.

8.1.1 System level replicability

269. There are a number of lessons that will be drawn from the system level. First, the project will mainstream protected areas in the development context of Ethiopia. While there are many reasons why they should be, it will require some effort to convince various groups within the country that this makes

sense. The groups not only include factions within the government, but also include some donors and international NGOs working within the country. "Is there room for a concept such as protected areas in a country so poor and populous as Ethiopia?" is a question often asked of the project preparation team. While the answer to this question, in the light of this proposal, is obvious, it will be asked many times in the coming years. Thus, the *process* of successfully convincing all stakeholders that having an effectively management protected area system is not only necessary for the project to succeed, but it will also prove informative for replication elsewhere in developing countries where the same question may be asked.

270. When protected areas have been successfully mainstreamed into the development context, it will also beg the question of why protected areas were not incorporated into development in the first place. This may assist with a process of re-evaluation of the development strategies being developed in the country – thus, which other sectors may have been marginalized and is not a broad development platform better than one that is focused on Agriculture Development Led Industrialization alone.

271. In the policy framework, the failure of protected areas to deliver revenue and to protect biodiversity, ecosystems and ecological processes can be largely attributed to the historic, state-centric approach of the government – resulting in the marginalization of stakeholders, including local communities, from benefiting[53] from the areas. This project will result in policy and practice that will shift governance from a state-centric process to one that involves stakeholders in planning and management. The results of this, again, will be widely disseminated to ensure that other agencies can draw off the lessons learnt over the course of the coming eight years and replicate the practices within their own organizations.

272. Second, Ethiopia is a country that has had a turbulent history – not unlike many other countries in sub-Saharan Africa. Thus, again, the process of successfully implementing this project and achieving the targets set out in it will prove informative for other emergent countries that wish to take similar bold steps.

8.1.2 Institutional replicability

273. Within Ethiopia, the project will be trialing new, business-founded management. As mentioned above, the government of Ethiopia has been going through a process of Business Planning Review - very much akin to the processes that will be implemented in this project.

274. The Knowledge Management System, developed as a part of Outcome 3, will be the key to replicability – thus, ensuring i) the exchange of ideas and experiences among government organizations both at federal and regional levels and ii) that lessons learnt and the good practice model will be adapted as a result of monitoring and evaluation practices. The system will not only operate at the federal and regional government level. The joint management committees that will be established at a site level will also have the opportunity to share ideas, practices and experiences through the system. In order to ensure this, the project provides (until such time as the sustainable financing mechanisms are in place and knowledge management becomes an integral part of the organizational budgets) for exchange programs, guidance materials, study tours and secondments to ensure knowledge and experiences are widely shared and replicated.

275. The monitoring and evaluation framework is discussed in Annex 12. The M&E framework's key function is to facilitate adaptively impact and accommodate lessons learnt from across the system. The M&E framework will also be sensitive to emerging experiences elsewhere – not just within the protected area system in Ethiopia, but also among other organizations (governmental, non-governmental, private

[53] B*enefiting* does not necessarily need to mean monetarily only; access and user rights and responsibilities, and involvement in planning and management processes are all benefits (as determined from the experience of the participatory natural resource management systems of FARM Africa/SOS Sahel).

and civil society) within Ethiopia, and also to other practices in protected area systems around the globe. This will include the replication of good practices and modification of those that are not functioning.

276. The results of the institutional and capacity development will be widely disseminated within the country; they will be shared among other government institutions to ensure that the lessons learnt through this project will be incorporated into the development of other government institutions.

8.1.3 Site level replicability

277. Within the system, the demonstration sites will be the key to replication. Four demonstration sites have been selected for this project, but once the categories of protected area have been broadened, the currently ongoing community-based natural resource management systems (such as the Bonga, Chilimo and Borana sites of FARM Africa/SOS Sahel, the Adaba-Dodola site of GTZ, the Site Support Group in the Berge Wetland) can also adopt the guidelines and become incorporated into the monitoring and evaluation framework, and lessons can continue to be drawn off them.

278. The project will expressly seek to catalyze or broker partnerships between protected areas, technical partners (NGO, academic, private), donors[54], stakeholders including local communities beyond the demonstration sites over the eight year period. The target is to catalyze six further partnerships at the site-level within the first stage with a second stage target of a further eight sites (thus, making a total of 18 effectively managed areas by the end of the project). The development and design of the projects in each of these sites will use the good practice model that will be adaptively changed through the course of the project (and through the course of history thereafter) from the monitoring and evaluation of the demonstration sites.

279. In conclusion, the demonstration sites will form the foundation of the development of a good practice model that will be replicated across the protected area estate. The model will include the *processes* by which results are achieved; the replication of these processes will be one of the keys to success.

9 Project Implementation Arrangements

280. The project will be implemented over a period of eight years. For administrative and strategic purposes, UNDP will implement the project in two stages. The first will focus on capacity and institutional change, while the second will focus on consolidation, up-scaling and replication of best management practice.

281. Stage One will be implemented through Direct Execution Modalities (DEX) modalities, contracting GTZ-IS as execution agency to implement the project processes, under the oversight of Government of Ethiopia, via the Ministry of Finance and Economic Development (MOFED). MOFED chair the National GEF Committee and would chair the National Steering Committee.

282. GTZ-IS has long experience with Project Management in Ethiopia, with a strong focus on capacity building; GTS-IS has its Africa HQ in Addis Ababa and therefore has ample absorptive capacity to manage the project. GTZ-IS would sub-contract agencies with comparative advantage to undertake output based activities within the project.

283. The second four-year stage would start after capacity has been built (several triggers to be met to allow second stage to start). Stage two therefore would be executed through National Execution Modalities (NEX), through whatever Ministerial / Parastatal structure has been created to manage Protected Areas during the first stage.

[54] As the majority of the funding necessary to (re)build the sites will not come from GEF; instead, as protected areas are mainstreamed, the donor community and/or sustainable financing solutions developed in the first stage will be used to provide funding for these sites.

284. The project will receive overall guidance and orientation from a National Steering Committee (NSC). This will be chaired by MoARD[55]. In order to consolidate linkages among cross-sectoral government agencies, the NSC would include representatives from the Ministries of Water Resources and Finance and Economic Development (MoFED), and the Ethiopian Tourism Commission. It would also include (but not be limited to) one non-governmental organization (NGO) representative, one representative from an academic institution and UNDP. Once the institutional re-structuring has occurred and a parastatal organization has been established, the NSC will transform into the Board of the new organization. The NSC will meet six-monthly.

285. The project will also be assisted by a Technical Advisory Group (TAG) that will be comprised of ten people from the government and civil society organizations (NGOs, private sector organizations and academic institutions), selected on the basis of their competence and willingness to be involved. The TAG will meet quarterly during the first year and six-monthly thereafter.

286. Finally, the implementing partners, including co-financers will form a Project Coordination Group (PCG) that will meet every four months.

287. As the designated organization, the GTZ-IS – government partnership will be responsible for managing the project including timely delivery of inputs and outputs – thereby ensuring the outcomes of the project.

10 Finances and Budget

a) BUDGET BY OUTPUT

Project Outcomes	Amount (US$)		Total (US$)
FIRST STAGE	**GEF**	**Co-finance**	
1 Protected Areas mainstreamed in development framework.	1,200,000	200,000	1,400,000
2 Appropriate policy regulatory governance frameworks in place.	800,000	200,000	1,000,000
3 Institutional arrangements and capacity for PA planning.	1,000,000	2,000,000	3,000,000
4 New PA management options and partnerships trialed.	500,000	9,000,000	9,500,000
5 Financial sustainability plan developed implement Stage 2.	500,000	-	500,000
Grand Total Stage One of Project	**4,000,000**	**11,400,000**	**15,400,000**
SECOND STAGE			
Consolidating systemic capacity for PA management	1,000,000	2,000,000	3,000,000
a Sustainable financing / business plan in place. b Trust fund established, with GEF seed money.	500,000 1,000,000	300,000 **tbd	800,000 1,000,000 +

[55] Until such time as the Ministerial/parastatal structure has been created; the chair of the NSC would change, as necessary at this point.

3 Catalysing replication of good practice models in PAs	1,000,000	8,357,000	10,000,000
4 Protected Areas mainstreamed across all sectors / levels	1,500,000	372,500	1,872,500
Grand Total Stage Two of Project	**5,000,000**	**11,029,500**	**16,029,500**
OVERALL TOTAL FUNDING IN PROJECT	**9,000,000**	**22,429,500**	**31,429,500**

Note that extra co-financing is required to capitalize the Trust Fund. This will be located in Stage 1, and forms a trigger to allow Stage 2 to proceed.

B) CO-FINANCING

Co-financing Sources				
Co-financier source	**Classification**	**Type**	**US$**	**Status**
Ministry of Agriculture	Government	In-kind	4,764,500	Committed 8 years
Parks Africa	Private Sector	Grant	7,750,000	Committed 8 years
Bilateral Donors (Netherlands lead) for Bale Landscape	Bi-lateral	Grant	7,320,000	Committed 8 years
CI	INGO	Grant	5,000	Committed Stage I
FZS	INGO	Grant	2,590,000	Committed 8 years
Sub-Total Co-financing	**ALL**	**IK & G**	**22,429,500**	
UNDP Associated Finance for Sustainable Development	Multi-Lateral	-	1,200,000	Committed in Stage I, S Dev districts by PAs

C) Input Budget for UNDP

Item	**Detail : Stage ONE**	**Amount USD**
1	Contract Direct Execution (Outputs 1-5 & implementation)	3,900,000
2	Evaluation - Mid Term Review	30,000
3	Annual External Technical Advisory Group (years 1-4)	30,000
4	Development of GEF Protected Are Knowledge Practice	15,000
5	Support to Govt Ethiopia – Annual Steering Committees	20,000
6	Provision for external audit.	5,000
7	**TOTAL**	**4,000,000**

Note, budget will be detailed in preparation of operational plan with GTZ-IS. Item I contains pro-rata input to project management and implementation, following best practice costings.

11 Monitoring, Evaluation, and Lessons Learned

11.1.1 Monitoring & Evaluation

288. Monitoring and evaluation (M&E) will provide stakeholders and partners with information to measure progress, determine whether expected impacts have been achieved, and to provide timely feedback in order to ensure that problems are identified early in implementation and that appropriate actions are taken. Monitoring will be an integral activity of all objectives and will assess the project's effectiveness in protecting biodiversity; evaluate the benefits accruing to communities and other beneficiaries; appraise the underlying causes of project outcomes (positive or negative); and track the level and quality of public participation in conservation activities. The project will be implemented through an adaptive framework that feeds the findings of M & E into operational planning, thus enabling management strategies and activities to be adjusted as necessary. A number of impact and progress indicators have been selected (see Log-frame analysis in Annex 3b) at the goal, objective, and output levels. A detailed M & E Analysis with emphasis on capacity to overcome threats is given in Annex 12, although core indicators on PA coverage and major species remain.

289. The project M & E will includes 2 outside evaluations, 3 internal evaluations, and annual METT assessments. Detailed METT baseline scores are in Annex 12b. Specific attention will be paid to triggers affecting the move from stage 1 to stage 2.

Evaluation

290. This project will be subject to program evaluation and financial auditing in accordance with the policies and procedures established for this purpose by UNDP/GEF, including an independent Mid-Term Review and Terminal Review. The organization, TOR and timing of the evaluations will be decided upon between UNDP and the National Project Steering Committee.

Lessons Learned

291. A summary of Lessons Learned during the PDF-B process and from other regional projects, and how these are incorporated into project design, is provided in Annex 7. Annex 7 introduces the need to develop a Learning Practice for the growing portfolio of GEF Protected Area Projects across Anglophone Africa during project implementation.