



# PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project  
THE GEF TRUST FUND

Submission Date: April 8, 2009

## PART I: PROJECT IDENTIFICATION

GEF PROJECT ID<sup>1</sup>: PROJECT DURATION: 84 months  
 GEF AGENCY PROJECT ID: 3936  
 COUNTRY(IES): Papua New Guinea  
 PROJECT TITLE: Forest Conservation and Protected Area Management in PNG  
 GEF AGENCY(IES): UNDP, (select), (select)  
 OTHER EXECUTING PARTNER(S): Department of Environment and Conservation  
 GEF FOCAL AREA (S)<sup>2</sup>: Biodiversity  
 GEF-4 STRATEGIC PROGRAM(S): BD-SP3, BD-SP1  
 (see preparation guidelines section on exactly what to write)  
 NAME OF PARENT PROGRAM/UMBRELLA PROJECT (if applicable): GEF-PACIFIC ALLIANCE FOR SUSTAINABILITY

INDICATIVE CALENDAR*	
Milestones	Expected Dates mm/dd/yyyy
Work Program (for FSP)	June 2009
CEO Endorsement/Approval	Dec 2010
Agency Approval Date	Jan 2011
Implementation Start	Feb 2011
Mid-term Evaluation (if planned)	July 2014
Project Closing Date	Dec 2017

\* See guidelines for definition of milestones.

## A. PROJECT FRAMEWORK

Project Objective: To develop effective natural resource management systems for community conservation areas								
Project Compo-nents	Type	Expected Outcomes	Expected Outputs	Indicative GEF Financing <sup>a</sup>		Indicative Co-Financing <sup>a</sup>		Total (\$)
				(\$)	%	(\$)	%	
1. National and local policies and capacities to support community managed PAs	TA	1. National, provincial and district governance systems provide quantifiably higher levels of financial and technical capacity support to community conservation areas. 2. National economic development plans recognize and accommodate community conservation areas in sectoral strategies, reducing degradation and conversion pressures on at least 1,000,000ha of existing and new conservation areas.	1. Formal recognition of community-managed protected areas as a component of the national PA system, including guidelines and criteria for designation. 2. National registry of community-managed PAs operating, with information being routinely incorporated into forestry, mining and infrastructure development proposals. 3. Policy frameworks for sustainable agricultural production demonstrated through a national policy requiring all exported palm oil to be certified sustainable by 2015. 4. National models established to provide payments for ecological and ecosystem services generated by community PAs, e.g. fisheries protection, REDD; with priority accorded to areas of high conservation value. 5. At least 2 Provincial Governments explicitly incorporate support for community conservation areas in their development plans and strategies. 6. At least 5 District administrations have the resources and technical capacities to assist communities in the development of resource management plans incorporating conservation areas.	1,700,000	40	2,500,000	60	4,200,000
2. Community Conservation	TA	1. At least 500,000ha of additional terrestrial and	1. Community outreach and information programme to inform community groups	2,600,000	43	3,500,000	57	6,100,000

<sup>1</sup> Project ID number will be assigned by GEFSEC.

<sup>2</sup> Select only those focal areas from which GEF financing is requested.

Areas established in West New Britain Province and the Owen Stanley Range.	marine area under protection equivalent to IUCN Category VI. 2. At least 20% of communities within the project area have community resource management plans specifically incorporating community PAs, WMAs or Conservation Areas. 3. Establishment of community-managed protected areas results in: - No net loss of forest cover within designated community PAs - Incidence of illegal logging, mining or poaching within designated community PAs reduced by 50% within 2 years, compared to baseline in year of designation. - No net loss of high conservation value forests to oil palm conversion within the project area.	within project sites of the costs and benefits of establishing conservation areas, and to identify willing participants. <sup>3</sup> 2. Outreach units in each participating District with the skills, capacities and resources required to assist communities in the development of community resource management plans incorporating community PAs. 3. Participating communities have the capacity to undertake: - Resource management planning, including present vs. future benefit costing. - Local development planning to invest PES revenue streams for development priorities such as health, education, etc. - participatory mapping - dispute-resolution and benefit-sharing processes - conservation monitoring/ Community Ranger programmes				
3.Conservation-compatible livelihood generation	TA 1. Community PAs generate 10% more annual revenue per hectare from all sources than District averages for forest lands, within 4 years of designation. 2. Participating communities report average annual income growth at least 10% higher than district averages for forest lands by end-project. 3. Demonstrated increase in incomes for participating communities results in at least two additional requests for participation from communities at each project site.	1. Model Livelihood Plans developed and under implementation for 3 demonstration PAs in each project site. 2. District-level guidelines developed and training programmes instituted for community-managed sustainable tourism programmes in Kimbe Bay and the Kokoda Track. 3. Sustainable production guidelines and market access strategies developed for conservation-compatible agricultural production in community-managed lands, within project sites. 4. Commercial oil palm plantations within the West New Britain project area are certified for sustainable production according to RSPO or similar criteria. 5. Up to 7,000 smallholder oil palm producers in West New Britain province meet the criteria for RSPO certification for sustainable oil palm production. 6. Emission Reduction Purchase Agreements negotiated for conservation	2,100,000	30	5,000,000	70 7,100,000

<sup>3</sup> Initial outreach activities will take place during the PPG phase, however due to the need for extensive consultations and consensus-building in traditional PNG tribal communities, this process is expected to continue into the full project phase.

		efforts and biomass monitoring systems in place. 7. Sustainable use and harvesting guidelines (including timber harvesting) promulgated for community-managed PAs.					
Project Mgmt.			600,000	38	1,000,000	62	1,600,000
<b>Total Proj. costs</b>			7,000,000	37	12,000,000	63	19,000,000

<sup>a</sup> List the \$ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.

<sup>b</sup> TA = Technical Assistance; STA = Scientific & Technical Analysis.

**B. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE and by NAME** (in parenthesis) if available, (\$)

Sources of Co-financing	Type of Co-financing	Project
Project Gov't Contribution	In-kind	1,800,000
GEF Agency(ies)	Unknown at this stage	200,000
Bilateral Aid Agency(ies)	Grant	6,600,000
TNC	Unknown at this stage	2,400,000
Others	Unknown at this stage	1,000,000
<b>Total Co-financing</b>		B12,000,000

**C. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)**

	Previous Project Preparation Amount (a) <sup>4</sup>	Project (b)	Total c = a + b	Agency Fee
GEF financing		7,000,000	7,000,000	700,000
Co-financing		12,000,000	12,000,000	
<b>Total</b>	0	19,000,000	19,000,000	

**D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES)<sup>1</sup>**

Not Required

**PART II: PROJECT JUSTIFICATION**

**A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:**

1. Papua New Guinea (PNG) is an island nation lying just to the north of Australia, and at the junction of South-East Asia and the Pacific. The country has a land area of 462,860 km<sup>2</sup> consisting of the eastern half of New Guinea Island (the PNG mainland), the islands of Manus, New Ireland, New Britain and Bougainville, as well as small coastal island chains and extensive coral reef systems lying within the Coral Triangle. New Guinea's ecological heritage is unique since it derives from two sources of origin; Australian to the south and Asian to the east. As a result, PNG is one of the world's 17 mega-diverse countries, and harbours more than five percent of global biodiversity within some of the world's most ecologically diverse terrestrial and marine ecosystems.
2. Much of the country is covered in forests (totaling 33 million hectares) overlaying highly rugged terrain, particularly in the central highlands of the PNG mainland. These New Guinean forests, one of the three largest tropical forest areas left on earth, harbor more than 190 species of mammals (81% endemic), 750 species of birds (53% endemic), 300 species of reptiles, 197 amphibians and more than 20,000 species of ferns and flowering plants. These forests have been ranked amongst the world's ten most ecologically distinctive forest regions. Coastal and marine resources are also highly significant, with extensive reef and marine ecosystems within the country's 2.4 million km<sup>2</sup> fisheries zone (the largest in the South Pacific), particularly in inshore areas along the country's 20,197km coastline. PNG's mangrove forests are the sixth most extensive globally, and when taken together with the mangroves of West Papua they form by far the largest area of semi-contiguous mangroves in the

<sup>4</sup> Include project preparation funds that were previously approved but exclude PPGs that are awaiting for approval.

world.<sup>5</sup> Nine of the WWF Global 200 Ecoregions are in PNG, as well as six AZE sites. The entire country falls within two biodiversity hotspots (New Guinea and the East Melanesian Islands) and the forests of New Guinea are found on almost every other global listing of priority forest conservation areas.

3. PNG's population of 6.7 million is predominantly rural, with more than 75% of households dependent on subsistence agriculture, and population growth at a high rate of 3.1% per year. Rural population density is greatest in highland areas, averaging as much as 20 people per km<sup>2</sup>. Population concentrations are also found in some coastal areas with rich marine resources, e.g. Popondetta, Wewak and Madang on the mainland and Kimbe in West New Britain.
4. Communities organized in clan-based structures are the primary resource owners in PNG. Approximately 98% of the land base in PNG is owned by clans under customary law, and most coastal and marine resources (reef fisheries, beche-de-mer harvests, mangrove and seagrass beds) are managed under clan structures also. These resources are owned collectively rather than by individuals or household units, and decisions on resource use are made largely by consensus through extensive consultative processes. The permanent sale of clan landholdings is prohibited in most cases, and resource-use agreements are generally time-bound.
5. The clan-based resource ownership structure is one of the most important features of natural resource management and conservation in PNG. The extensive private ownership of land and other resources, under decision-making systems that require consultations and consensus, has made the establishment of large-scale Protected Areas under State management extremely difficult. At the same time, this structure is also a barrier to large-scale land conversion of land for permanent agriculture or other uses, and has limited the impact of commercial logging compared with neighboring countries such as Indonesia.
6. Protected Areas currently cover less than 3% of the land area. PAs have been designated under the National Parks Act 1982 and the Organic Law on Provincial and Local Level Government 1995, while Wildlife Management Areas (WMAs) are designated under the Fauna (Protection and Control) Act 1966. WMAs allow clans to formalize their legal control over the fauna resources of their clan holdings, to manage hunting, fishing and harvesting of other resources. Under these three acts there are currently four National Parks, three Provincial Parks and 27 (WMAs) totaling 605,152 ha<sup>6</sup>.
7. In recent years the focus of PA establishment has shifted away from exclusionary models such as National Parks towards more inclusive models, particularly WMAs. Some local communities have also been declaring ad-hoc community conservation areas (both terrestrial and marine) through the establishment of conservation deeds or conservation contracts under contract law, with the help of grassroots NGOs. However these community conservation areas are not formally recognized as part of the national PA network.
8. An analysis of the PA system conducted as part of PNG's response to the CBD Programme of Work on Protected Areas<sup>7</sup> indicated that many PAs are non-functional due to a lack of funding and technical support. A spatial analysis conducted for the *State of the Forests of Papua New Guinea*<sup>8</sup> report indicated that, excluding the recently-gazetted Hunstein and Crater Mountain WMAs, the remaining 32 PAs in PNG have suffered forest clearance or degradation at rates almost identical with non-PA forest areas; indicating the ineffectiveness of their conservation status.
9. The primary threats to terrestrial biodiversity in PNG are deforestation and degradation (from logging and subsistence agriculture), mining (including pollution and waste runoff) and agricultural conversion (e.g. for oil palm). The average rate of deforestation across all regions of PNG over the 1972-2002 period was 24%, with much of the logging-related forest loss concentrated in lowland forest areas. Subsistence agriculture (gardening) is a pervasive pressure on forest areas, linked closely to population growth.
10. Large-scale mining for minerals such as gold, copper, etc. have resulted in both direct impacts from forest clearing (including for infrastructure, access roads and associated support) as well as sometimes-extensive indirect impacts from pollution and runoff of tailings. The best-known example of this is from the Ok Tedi gold and

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<sup>5</sup> Shearman et. al. (2008); *The State of the Forests of Papua New Guinea: Mapping the extent and condition of forest cover and measuring drivers of forest change in the period 1972-2002*, University of Papua New Guinea, Port Moresby. p.13

<sup>6</sup> 416,256ha of this lies within two WMAs; the Hunstein Range in East Sepik Province (160,850 ha) and the Crater Mountain WMA in the Gulf and East Highlands Provinces (225,306ha)

<sup>7</sup> Tortell and Duguman (2008); *Supporting Country Action on the CBD Programme of Work on Protected Areas, Report on Preparation of Request from Papua New Guinea*, UNDP, Port Moresby.

<sup>8</sup> Shearman et. al. (2008);. pp93-94

copper mine in the Western Province, where contamination from tailings discharge is reported to have damaged at least 150,000ha of forest in the lower Fly River catchment.<sup>9</sup>

11. Agricultural conversion has not yet had an extensive impact on forest areas compared with logging or mining; however the pace of conversion is increasing, driven partly by recent price rises for agricultural commodities, and demand for palm oil (including for biofuels). The majority of plantation clearance has occurred in West New Britain province.
12. Other pressures include subsistence harvesting of non-timber forest products (e.g. eaglewood resin) and hunting and fishing. Subsistence harvesting is generally linked to the need for cash to pay for school fees and basic necessities, while hunting and artisanal fishing are generally for personal consumption or local sale. Both these pressures are also closely correlated with population growth.
13. The only viable long-term solution to these threats is to bring a representative sample of the country's biodiversity resources under some form of protection. However a conventional protected areas approach has been clearly shown to be inadequate for PNG's needs. The challenge will be to develop an effective model of protection which recognizes and accommodates the unique resource ownership structure in PNG. Thus the project's long-term vision is to establish a system of terrestrial and marine protection which builds upon existing community-based resource management structures in PNG.
14. The barriers to this long-term vision can be divided into two broad categories; systemic and policy barriers in national and local governance, and capacity and economic development barriers at the local level.
15. At the level of systems and policies, barriers include:
  - a. *Inadequate legal and policy structures for PA establishment and maintenance.* Most existing protected areas in PNG have been designated as Wildlife Management Areas under the Fauna (Protection & Control) Act 1966, since this is the legal structure that most readily accommodates existing community resource management systems. However this act focuses on faunal resources, and is therefore not an effective legal structure for comprehensive biodiversity conservation at the landscape or ecosystem level.
  - b. *Economic development strategies which prioritise non-sustainable resource uses* such as logging, mining and agricultural conversion, and provide no incentives for conservation. The focus of economic development in recent years has been on extractive industries which generate foreign exchange revenue. Non-extractive or non-depleting economic activities such as tourism, sustainable agricultural production or value-added processing of raw materials have received relatively little attention.
  - c. *Ineffective coordination* amongst sectoral development institutions (mining, forestry, agriculture and environment). Economic development strategies have been implemented largely on a sector-by-sector basis, with limited overall coordination. Information flows and coordination amongst sectoral agencies has been limited. As a result, conflicts and inconsistencies have arisen, for instance when mining or forestry concessions are given out over areas that had been set aside as PAs.
16. At the local level, capacity and economic development barriers include:
  - a. *Inadequate community-level capacities for long-term sustainable management of community conservation areas.* Numerous efforts have been made over recent years to develop and promote community conservation models. These include projects to develop large-scale Wildlife Management Areas within Integrated Conservation and Development Projects (ICDPs), as well as small-scale community conservation areas supported by local development organisations such as the LMMA (Locally-Managed Marine Areas) network and the work of the Bismarck Ramu Group. However none of these initiatives have thus far provided a successful, replicable and scalable model of community conservation within multiple-use local resource management. BRG and the LMMA network have had significant success working in specific local areas over extended periods of time, however these approaches have proved difficult to scale up and replicate at a national scale.
  - b. *Insufficient technical and financial support for the establishment of community conservation processes.* While community-based conservation areas are ultimately expected to be largely self-financing through revenue-generation and –retention, the consensus-building, planning and initial establishment of structures such as these require technical and financial resources that most clans and local communities

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<sup>9</sup> Shearman et.al. (2008) p.84

do not possess. Preparations for alternative development strategies such as logging or oil palm conversion are readily financed by the industries concerned, but no equivalent level of technical and financial support is widely available for sustainable development and conservation plans. Some NGOs and conservation groups have been able to provide support, but only on an ad-hoc basis at a limited number of priority sites.

- c. *The community cost-benefit equation.* Setting aside areas for conservation implies the loss of present and future incomes for the communities concerned, with no direct economic or livelihood benefit. The benefits of conservation areas accrue mainly at the landscape, national and global levels, while the costs (particularly in the PNG case) are borne by the landowners giving up access to their hereditary landholdings.
  - d. *Population growth resulting in increasing demand for jobs and incomes, against static clan landholdings.* The high rate of population growth in PNG has placed ever-increasing demand on the land and marine holdings of clans, which are fixed and largely impossible to expand. This results in continuous pressure to open new areas to subsistence farming (gardening) as well as broader pressure to ‘cash in’ landholdings through timber extraction or plantation development. Communities lack the skills, investment funding and market access required to generate greater returns from existing landholdings through sustainable business enterprises such as eco-tourism, sustainable farming or processing of NTFPs.
  - e. *Information asymmetries and capacity gaps.* Landowners do not always have a clear picture of the costs and benefits of different land-use options. Decision-making is often dependent on information and analysis put forward by interested parties such as logging, mining and plantation companies in pursuit of areas to exploit. Communities do not have a systematic method – or enough information – to assess the merits of alternative development options and strategies independently.
  - f. *Market access barriers.* Local communities, particularly in more remote areas, lack access to markets, updated market and price information, business development skills and small-scale business financing. As a result, there are limited opportunities to diversify income sources or intensify returns through value-added processing or productivity improvements. Net incomes received per unit of natural resource (e.g. hectare of land converted, tonne of cash crop produced) remains relatively low, thus resulting in greater consumption of natural resources in order to generate sufficient incomes for basic needs.
17. The nexus between the systemic and policy barriers to the establishment of effective PAs and the capacity and economic development barriers at the local (community/ clan) level is in the decisions communities make about using their land and marine resources. The challenge lies in devising resource-allocation decision-making models that allow communities to fulfill their income needs and developmental aspirations, while ensuring that a viable, representative proportion of the country’s terrestrial and marine resources are conserved for national and global environmental purposes.
18. The objective of the project will be to develop and demonstrate resource management and conservation models for landholding communities that effectively incorporate community conservation areas. The key impact indicator associated with this objective will be the extent of high conservation value terrestrial and marine area which is brought under community-based conservation at targeted sites.
19. To achieve this objective, three broad outcomes components will be required:
- a. Component 1: National and local government support to community-level resource management and conservation.
  - b. Component 2: Community Conservation Areas established in West New Britain Province and the Owen Stanley Range.
  - c. Component 3: Conservation-compatible livelihood generation opportunities.
20. Component 1 will provide the policy and legislative framework necessary to promote community conservation areas as part of local resource management plans. This component will also establish the mechanisms and funding flows necessary to provide communities with targeted financial opportunities for providing ecosystem services such as biodiversity conservation, watershed protection, coastal protection and fisheries spawning/regeneration, and avoided deforestation. In addition, this component will establish critical national policies required to ensure the sustainability of productive activities, e.g. in the palm oil sector.

21. Component 2 will deliver the core of the project strategy. This component will establish the models, and develop the capacities, for communities to design and agree resource management and conservation plans that integrate subsistence and livelihood generation opportunities with clear sustainable use and conservation goals and targets. The project will provide the tools and resources required, and will assist in identifying options and strategies which maximize conservation outcomes, focusing particularly on the tools and capacities needed to establish and manage conservation areas. However each community will identify and agree the specific mix of development and conservation initiatives they wish to undertake, and will take full responsibility for the planning, implementation and management of the overall plan and the specific activities within it. The Model Livelihood Plans to be developed will include clear strategies for the management and monitoring of community conservation areas, e.g. through the establishment of Community Ranger programmes. In addition, these plans will also identify development priorities in which the revenues will be invested, e.g. in health (linked to the WHO-supported 'healthy village' program), education (for school fees, equipment and scholarships), village water and sanitation, etc.
22. The project will establish outreach units in each district involved in the project, which will provide access to the tools, training and information required for communities to develop and implement their plans. Outreach units will be linked to existing community development and conservation programmes already active in each location, to ensure that the project fully benefits from lessons learned and relationships already developed in each community.
23. The component will also provide a strong lessons-learning and adaptive feedback mechanism, to share and disseminate examples of success and to ensure that mistakes and set-backs become opportunities to learn.
24. The models will be developed and demonstrated in two areas; the Owen Stanley Range, focused on the Brown River catchment and Kokoda Track regions, and West New Britain Province, focusing on the terrestrial landscape of Kimbe Bay and the Nakanai and Whiteman mountain ranges. Other sites may be included during the PPG formulation phase, depending on further analysis and consultations with the communities concerned. Brief descriptions of the proposed sites are provided in Annex 1.
25. Component 3 will help provide the livelihood generation options to underpin effective community resource models. Communities in the targeted project sites will be provided with the tools, resources and capacities to develop conservation-compatible livelihood opportunities in sectors such as tourism, sustainable agriculture and the commercial development of non-timber forest products. Communities will also be equipped with the business-planning tools necessary for them to identify, develop and manage the mix of business enterprises most suitable for their needs.
26. The project will generate global environmental benefits both at the specific site level, where at least 500,000 hectares of high conservation-value terrestrial and marine resources will be brought under improved protection, and at the overall national level, where replicable models of conservation within existing community resource management structures will allow significant further areas of conservation to be established.

**B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL/REGIONAL PRIORITIES/PLANS:**

27. The proposed project is consistent with the Government's new Environmentally Sustainable Economic Growth (ESEG) initiative and its MDG-7 strategy. It builds upon assessments of the national protected area system commissioned by the Government of PNG, and the recently-launched reorganization and refocusing of GoPNG environmental agencies such as the Department of Environment and Conservation. The project will also support implementation of PNG's current Medium Term Development Strategy (2006-2010) and the project's outputs will support development of the new MTDS for the period 2011-2015.
28. At the regional level, the project helps support two major regional conservation initiatives; the Coral Triangle Initiative (CTI) and the GEF Pacific Alliance for Sustainability (GPAS). The project's work in Kimbe Bay will help reduce land-based pressures on one of the richest concentrations of coral reef biodiversity in the Coral Triangle. The community-based coastal and marine conservation models developed in Kimbe will be highly applicable in other similar coastal communities, both within PNG as well as elsewhere in the CTI region.
29. The project is also an element of the GPAS, specifically under the Forestry and Terrestrial Protected Areas component. Through this component the project has linkages to similar initiatives in Fiji, Vanuatu, Niue and Samoa implemented by the FAO. The FAO project will provide a regional lessons-sharing mechanism through which the models and approaches being developed in PNG can be shared with other Pacific Island countries with

similar resource ownership and resource use structures, and vice versa.

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:**

30. The project is designed primarily to support GEF Biodiversity Strategic Program BD-3 on strengthening terrestrial PA networks. The project will ensure that community-conserved forest areas are integrated into the national PA system, increasing the national PA estate by at least 500,000ha of IUCN Category VI-equivalent protected areas. By strengthening revenue streams to support community-based conservation, the project also responds to BD SP-1 on the sustainable financing of PA systems.
31. The project also supports the GEF Pacific Alliance for Sustainability programme, under the Forestry and Terrestrial Protected Areas component, as described above.

**D. JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES:**

32. GEF resources are being provided entirely in the form of Technical Assistance grants for barrier removal activities.

**E. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

33. The proposed FSP will build upon the work and incorporate achievements and results of the Initial Analysis of the Program of Work on Protected Areas under the Global Early Action program funded by the GEF. In addition, it will build upon the RAPPAM (Rapid Assessment of Protected Area Management) project recently undertaken by the DEC together with WWF, TNC, the PNG Forest Authority, The Village Development Trust, the Research and Conservation Foundation, PNG Sustainable Development Ltd. And the Mama Graun Conservation Trust Fund.
34. In the Kimbe Bay area, the project will build upon community conservation initiatives supported by TNC, for which Kimbe Bay is a flagship location. It will also coordinate with proposed marine and coastal resource conservation activities under the Coral Triangle Initiative, for which the marine resources of Kimbe Bay are of particular interest. The project will also collaborate with bilateral support for conservation and sustainable development to be provided by the Government of Australia, for the Kokoda Track region of the Owen Stanley Range.
35. The project has been designed based on lessons learned from previous biodiversity conservation efforts in PNG, including initiatives supported by the GEF. These include the PNG Biodiversity Programme implemented in the mid-1990s, which piloted ICDP approaches in Lak and the Bismarck-Ramu region. The experience in Bismarck-Ramu was particularly valuable in highlighting the need to carefully integrate conservation activities into broader community development and revenue-generation plans, rather than presenting conservation as a stand-alone landuse option of its own. The project also builds on experiences gained from the recently-concluded UNDP/GEF project in Milne Bay. This project highlighted the importance (even more in PNG than elsewhere) of implementing projects such as this in a careful and gradual manner while building up community support and consensus. The Milne Bay project also highlighted the ineffectiveness of projects which are implemented through high-profile, well-resourced external 'experts', whose presence generates expectations of massive windfall benefits while undermining local ownership of the conservation goals.

**F. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH [INCREMENTAL REASONING](#) :**

36. Under the baseline scenario, protected area management in PNG will continue to be largely ineffective, combining a network of poorly-resourced and declining formal PAs, with ad-hoc community-based conservation areas which have local support, but which are not systematically supported or formally recognized in overall national conservation or economic development planning. Under this scenario forest and marine resources within PAs will continue to be lost, while the expansion of PA estate will continue to attract limited public or Governmental support.
37. The proposed project will help catalyze an alternative scenario under which the extent of area under protection will increase substantially, with increased levels of local stakeholder support. The area of high-value terrestrial and marine biodiversity being managed sustainably will increase, and models will be developed which demonstrate that conservation and development can be successfully integrated at the community level in PNG.



**G. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MITIGATION MEASURES THAT WILL BE TAKEN:**

<b>Risk</b>	<b>Risk rating</b>	<b>Risk Mitigation strategy</b>
Model Livelihood Plans do not provide sufficient income streams to convince communities to continue conserving their forest areas	Med	The project will identify and develop the broadest possible range of revenue generation options, to maximise benefits to participating communities while reducing the risk that adverse changes in any one revenue area (e.g. sudden drop in tourist arrivals, reduction in agricultural prices) would jeopardise the overall revenue model. The approach of combining existing intrinsic values (which would be lost with forest conversion) and additional revenue streams reduces the perceived income gap between conservation and conversion. Nevertheless this remains the primary strategic risk facing the project.
Conflict between and within clans prevents agreement on development strategies and resource management plans	High	Traditional clan groups in PNG have a long history of inter- and intra-tribal conflict, particularly over resource use and resource distribution. The project will ensure that the communities involved in the project are supported with strong conflict resolution and benefit-sharing capacities. The emphasis on gradual, consensus-driven development of resource management plans will also allow disagreements to be aired and resolved as plans are developed, thus minimising the risk of these disagreements erupting into open conflict. Nevertheless, this continues to be a significant risk that the project will have to monitor and address.
Capacities within decentralised government structures are insufficient to effectively deliver the project strategy	Low-Med	The project will explicitly address this risk by providing on-going, targeted capacity development support for provincial and district governments where required. Partnerships with local conservation NGOs and other non-government organisations such as church groups will provide a supplementary implementation support mechanism where required to augment limited Government capacity.
Climate change and variability negatively impact PAs or revenue generation models	Low	Although PNG is vulnerable to extreme weather events such as typhoons, the short-term impact of increased weather events on forest systems in the project areas is unlikely to be significant. Short-term weather impacts on revenue generation (e.g. reductions in tourism, disruptions to transportation networks) may increase in the medium-term, but are unlikely to be a discernable factor during the project's lifetime.

**H. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:**

38. The project has two cost-effectiveness elements. Firstly, it aims to ensure the conservation of important biodiversity resources within existing community stewardship structures, rather than requiring the establishment of separate, Government-funded protected area structures. Formal Government-supported PAs would be significantly more expensive, with annual management costs estimated at USD3.65/ha/year. Establishing a formal PA network covering the equivalent 500,000ha area would require recurrent expenditures in the order of USD1.8 million per year, or an endowment of more than USD30 million. As an integral part of community resource management strategies, the conservation areas to be established will require limited fiscal support, with the bulk of financing to be generated internally through sustainable livelihoods and payments for ecosystem services.
39. Secondly, the project will focus on targeted barrier-removal through capacity development approaches, rather than requiring extensive investment or capital development costs. The focus on strengthening existing resource management systems and structures, supported by local government capacity improvement as part of the on-going national decentralization process, will provide lasting impact from limited initial investments.

**I. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY: Not Required**

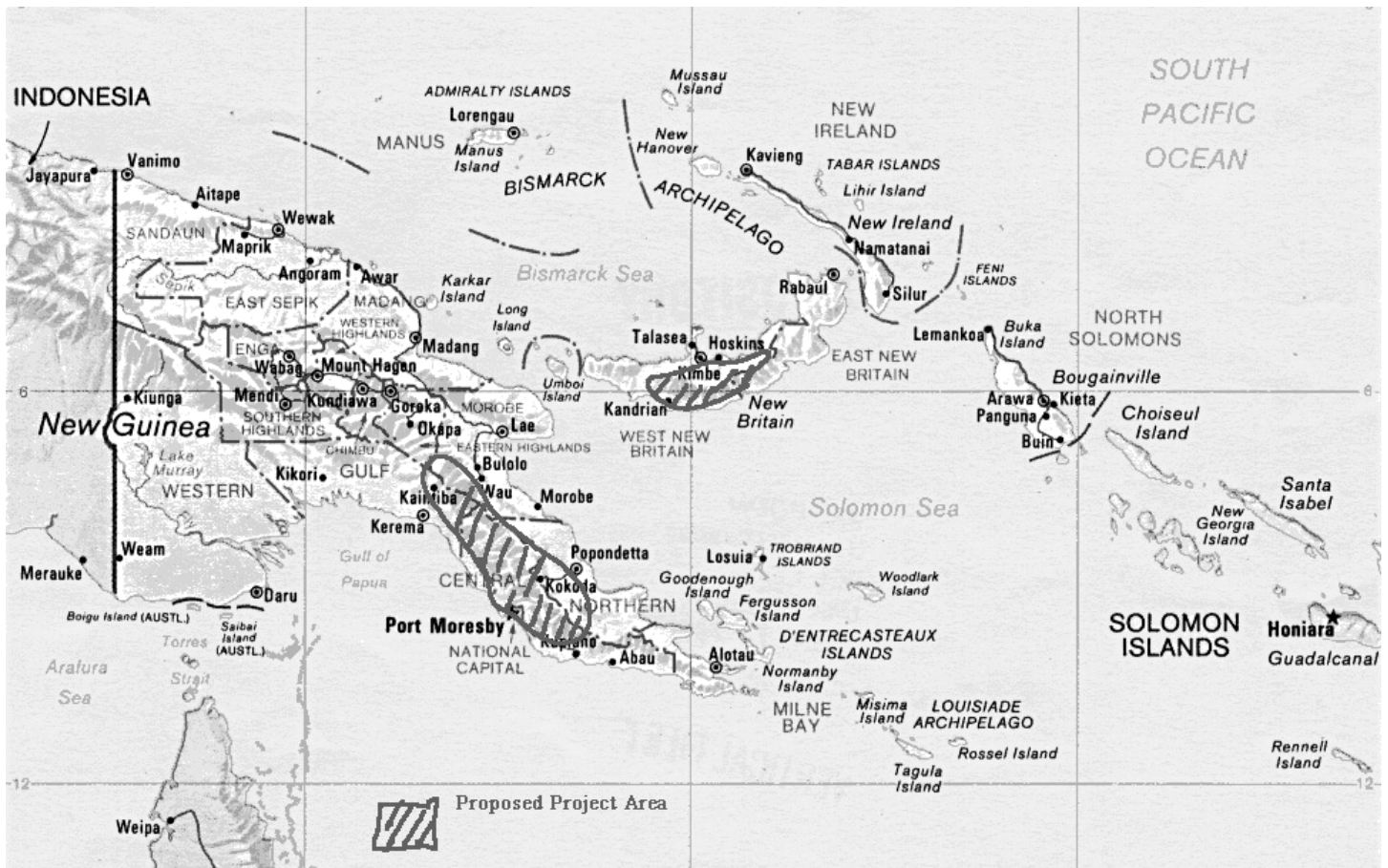
**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):**  
 (Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

NAME	POSITION	MINISTRY	DATE (Month, day, year)
Dr. Wari Iamo	Secretary	Department of Environment and Conservation	April 8 2009

**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.					
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Map of Papua New Guinea showing Proposed Project Areas (preliminary)

**1. West New Britain Province, with a particular focus on Kimbe Bay and the Nakanai and Whiteman Mountain Ranges**

The volcanic island of New Britain lies to the north-east of the PNG mainland, between the Bismarck and Solomon Seas. The province of West New Britain is centred on the capital Kimbe, on the shore of the Kimbe Bay marine hotspot. The forest areas rising from the shores of Kimbe Bay south to the montane heights of the Nakanai and Whiteman Ranges are also ecologically significant, with pockets of lowland forest in a mixed-use landscape rising to relatively untouched montane forests in the central spine of the island. These forests have not been comprehensively assessed, however a variety of endemic and near endemic species are know, particularly

bats and rodents including threatened species such as the New Guinea pademelon (*Thylogale brownii*), Gilliard's flying-fox (*Pteropus gilliardorum*), large-eared sheath-tail-bat (*Emballonura diana*), Bismarck trumpet-eared bat (*Kerivoula myrella*), and New Britain water-rat (*Hydromys neobritannicus*).

West New Britain is the centre of palm oil production in PNG, with large oil palm plantations found in lowland areas along the shore of Kimbe Bay. Logging has also been significant, especially along the southern coast. The province also has an extremely high rate of population growth, largely due to in-migration. These factors combine to place great pressure on the forest resources of the island, particularly in lowland areas.

At the same time, extensive conservation efforts have been undertaken by local communities working in conjunction with conservation organisations such as TNC, the Mama Graun Conservation Trust Fund, Live and Learn and FORCERT. A number of Wildlife Management Areas have been established by local communities, including the Garu and Pokili WMAs at either end of Kimbe Bay (which are important megapode nesting sites) and the Tavolo WMA on the southeast coast of the island. Interest in conservation is growing, both amongst local communities as well as within the Provincial and local governments.

## **2. The Owen Stanley Range, focusing on the Brown River Catchment and the Kokoda Track.**

The Owen Stanley Range consists of tropical wet evergreen and tropical montane evergreen forests which are home to a rich variety of species with moderate to high endemism. It is home to 29 endemic or near endemic mammals (mainly marsupials) including the critically-endangered large-eared nyctophilus (*Pharotis imogene*) and long-footed hydromine (*Leptomys elegans*) and Van Deusen's rat (*Stenomys vandeuseni*). 510 bird species are found in this region, of which 40 are endemic or near endemic.

Threats and pressures on biodiversity in this area include logging in lowland areas, mining (e.g. proposed nickel mines) and particularly forest conversion for cash crops and subsistence agriculture. Population density is high and growing, particularly in lowland areas.

Project activities in this area will be implemented in collaboration with a major bilateral PNG-Australian sustainable development programme currently under development. This programme will provide sustainable livelihood and conservation support to communities living along the historic Kokoda Track, which crosses the Owen Stanley Range from the capital Port Moresby north-east to Popondetta. This Track has great historical and cultural significance for both PNG and Australia, and will be the focus of concerted sustainable development support in partnership with the proposed GEF project.