

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: 59962-SAS

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF
SDR 22.9 MILLION
(US\$36 MILLION EQUIVALENT)

TO THE PEOPLE'S REPUBLIC OF BANGLADESH

AND A

PROPOSED GRANT

IN THE AMOUNT OF
SDR 2.0 MILLION
(US\$3 MILLION EQUIVALENT)

TO NEPAL

IN SUPPORT OF THE

FIRST PHASE OF THE

ADAPTABLE PROGRAM LOAN (APL) ON
STRENGTHENING REGIONAL COOPERATION FOR
WILDLIFE PROTECTION IN ASIA

March 11, 2011

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

(Exchange Rate Effective February 28, 2011)

Currency Unit	=	Bangladeshi Takas (BDT)
Currency Unit	=	Nepalese Rupees (NPR)
BDT 71.14	=	US\$1
NPR 72.55	=	US\$1
US\$1.57	=	SDR 1

FISCAL YEAR

Bangladesh: July 1	–	June 30
Nepal: July 16	–	July 15

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank	EMP	Environmental Management Plan
APEC	Asia-Pacific Economic Cooperation	ESMF	Environmental and Social Management Framework
APL	Adaptable Program Loan	FATF	Financial Action Task Force
ARCS	Audit Report Compliance System	FIU	Field Implementation Unit
ASEAN-	Association of South East Asian Nations –	FM	Financial Management
WEN	Wildlife Enforcement Network		
BFD	Bangladesh Forests Department	FMR	Financial Monitoring Report
CAO	Chief Accounts Officer	FR	Forest Reserve
CAS	Country Assistance Strategy	GDP	Gross Domestic Product
CBD	Convention on Biological Diversity	GEF	Global Environmental Facility
CCF	Chief Conservator of Forests	GIS	Geographic Information System
CEPF	Critical Ecosystem Partnership Fund	GOB	Government of Bangladesh
CF	Conservator of Forests	GON	Government of Nepal
CGA	Controller General of Accountants	GSP	Global Support Program
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora	GTI	Global Tiger Initiative
CQS	Selection based on Consultant Qualification	GTRP	Global Tiger Recovery Program
DCCF	Deputy Chief Conservator of Forests	HEC	Human-Elephant Conflict
DDG	Deputy Director General	ICB	International Competitive Bidding
DFID	Department for International Development	ICCWC	International Consortium on Combating Wildlife Crime
DFO	Divisional Forest Officer	ICDP	Integrated Conservation and Development Project
DG	Director General	ICT	Information and Communication Technology
DNPWC	Department of National Parks and Wildlife Conservation	IDA	International Development Association
DOF	Department of Forests	INTERPOL	International Criminal Police Organization
DPP	Development Project Proposal	IP	Indigenous People
EA	Environmental Assessment	IPDP	Indigenous People Development Plan

IPR	Implementation Progress Report	PPR	Public Procurement Rules
ISN	Interim Strategy Note	PRMP	Procurement Risk Mitigation Plan
IUCN	International Union for the Conservation of Nature	QBS	Qualification Based Selection
IUFRs	Interim Un-Audited Financial Reports	QCBS	Quality and Cost Based Selection
IWT	Illegal Wildlife Trade	RF	Reserve Forest
M&E	Monitoring and Evaluation	RFP	Request for Proposal
MDGs	Millennium Development Goals	ROSC	Regional Operational Steering Committee
METT	Management Effectiveness Tracking Tool	RPRC	Regional Proposal Review Committee
MOEF	Ministry of Environment and Forest	RPSC	Regional Policy Steering Committee
MOFSC	Ministry of Forests and Soil Conservation	SAARC	South Asia Association for Regional Cooperation
NF	National Forest	SACEP	South Asia Cooperative Environment Programme
NGOs	Non-Governmental Organizations	SADC	Southern African Development Community
NPSC	National Project Steering Committee	SAWEN	South Asian Wildlife Enforcement Network
NSC	National Steering Committee	SAWTI	South Asia Wildlife Trade Initiative
NTFPs	Non-Timber Forest Products	SBD	Standard Bidding Document
NTNC	National Trust for Nature Conservation	SIA	Social Impact Assessment
NTRP	National Tiger Recovery Program	SOE	Statement of Expenses
OAGN	Office of Auditor General of Nepal	TA	Technical Assistance
OECD	Organization for Economic Cooperation and Development	THC	Tiger-Human Conflict
OM	Operational Manual	TOR	Terms of Reference
ORAF	Operational Risk Assessment Framework	TRAFFIC	The Wildlife Trade Monitoring Network
OSCRC	Operational Steering Committee for Regional Coordination	UNEP	United Nations Environmental Program
PA	Protected Area	UNODC	United Nations Office of Drugs and Crime
PAC	Project Audit Committee	USFWS	United States Fish and Wildlife Service
PCU	Project Coordination Unit	VRCE	Virtual Regional Center of Excellence
PD	Project Director	WC	Wildlife Circle
PDO	Project Development Objective	WCCB	Wildlife Crime Control Bureau
PIC	Project Implementation Committee	WCCU	Wildlife Crime Control Unit
PIU	Project Implementation Unit	WCF	Wildlife Conservation Fund
PMC	Project Management Committee	WCS	Wildlife Conservation Society
PMU	Project Management Unit	WTO	World Trade Organization
PO	Procurement Office	WWF	World Wildlife Fund
PPA	Public Procurement Act		

Regional Vice Presidents:	Isabel M. Guerrero
Director, Regional Integration:	Salman Zaheer
Country Directors:	Susan Goldmark, Ellen Goldstein
Sector Director:	John Henry Stein
Sector Manager:	Herbert Acquay
Task Team Leader:	Sumith Pilapitiya
Co- Task Team Leader:	Sascha Djumena

Table of Contents

I.	Strategic Context.....	1
A.	Global and Regional Context.....	1
B.	Sectoral and Institutional Context.....	4
C.	Higher Level Objectives to which the Project Contributes	7
II.	Project Development Objectives.....	9
A.	PDO.....	9
B.	Project Beneficiaries	10
C.	PDO Level Results Indicators.....	10
III.	Project Description.....	11
A.	Project Components.....	12
B.	Project Financing	16
1.	Lending Instrument.....	16
2.	Project Financing Table	17
C.	Lessons Learned and Reflected in the Project Design.....	18
IV.	Implementation	19
A.	Institutional and Implementation Arrangements	19
B.	Results Monitoring and Evaluation	21
C.	Sustainability.....	22
V.	Key Risks and Mitigation Measures	22
VI.	Appraisal Summary	24
A.	Economic Analysis	24
B.	Technical.....	26
C.	Financial Management.....	26
D.	Procurement	27
E.	Social.....	27
F.	Environment.....	27
	Annex 1: Results Framework and Monitoring.....	29
	Annex 2: Detailed Project Description	39
	Annex 3: Implementation Arrangements.....	55
A.	Regional Level	55
B.	Bangladesh.....	55
C.	Nepal.....	62
D.	Funding Review Process for Innovative Pilot Projects Submitted to Windows 1 and 2 of Sub-component 2.2	68

E.	Governance and Accountability for Bangladesh and Nepal	69
F.	Environmental and Social Safeguards for Bangladesh and Nepal.....	69
G.	Project Monitoring and Evaluation (M&E) for Bangladesh and Nepal	71
Annex 4:	Operational Risk Assessment Framework (ORAF)	72
Annex 5:	Implementation Support Plan.....	76
Annex 6:	Team Composition	78
Annex 7:	Governance and Accountability Action Plan (GAAP)	79
Annex 8:	Staff Capacity Building and Training Program	86
Annex 9:	Economic Analysis.....	91

PAD DATA SHEET

BANGLADESH AND NEPAL: First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

PROJECT APPRAISAL DOCUMENT

South Asia Region
South Asia Environment, Water Resources and Climate

Date: March 11, 2011 Sector Director: Salman Zaheer Country Directors: Susan Goldmark, Ellen Goldstein Sector Manager: Herbert Acquay Team Leader: Sumith Pilapitiya Co-Team Leader: Sascha Djumena Project ID: P121210 Lending Instrument: Adaptable Program Loan (APL)	Sector(s): Gen agr/fish/for sec (70%); Gen pub admin sector (30%) Theme(s): Biodiversity (80%); Environmental policies and institutions (10%); Other trade and integration (10%). EA Category: B
Project Financing Data:	
Proposed terms:	
<input type="checkbox"/> Loan <input checked="" type="checkbox"/> Credit <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other:	
Source	Total Amount (US\$M)
Total Project Cost:	42.0
Cofinancing:	
Borrower – Bangladesh	3.0
Total Bank Financing:	39.0
IBRD	
IDA	39.0
New	39.0
of which:	
Bangladesh	36.0
Nepal	3.0
Recommitted	
Borrowers: People's Republic of Bangladesh and Nepal Responsible Agencies: Bangladesh Ministry of Environment and Forest (MOEF) and Bangladesh Forest Department (BFD) Nepal: Ministry of Forests and Soil Conservation (MOFSC), Department of National Parks and Wildlife Conservation (DNPWC) and Department of Forests (DOF)	

Bangladesh Contact Persons:

(1) Dr. Mohammad Nasiruddin
 Joint Secretary (Development), MOEF
 Telephone No.: +880-2-716-9621
 Fax No.: +880-2-716-9210
 Email: nasbil56@yahoo.com

(2) Mr. Ishtiaq Uddin Ahmad
 Chief Conservator of Forests, BFD
 Telephone No.: +880-2-812-7222
 Fax No.: +880-2-811-9453
 Email: iuahmad55@gmail.com

Nepal Contact Persons:

(1) Mr. Krishna Prasad Acharya
 Director General, DNPWC
 Telephone No.: (+977) 1 4220912 / 4220850
 Fax No.: (+977) 1 4227675
 Email: kpacharya@dnppwc.gov.np

(2) Mr. Gopal Kumar Shrestha
 Director General
 Department of Forests
 Telephone No.: (+977) 1 4220303 / 4221231 / 4216379
 Fax No.: (+977) 1 4227374
 Email: Sgk0245@gmail.com

Estimated Disbursements (Bank FY/US\$) for Bangladesh

FY	2011	2012	2013	2014	2015	2016
Annual	0	8,520,283	9,500,788	8,686,788	7,806,788	1,485,353
Cumulative	0	8,520,283	18,021,071	26,707,860	34,514,648	36,000,000

Estimated Disbursements (Bank FY/US\$) for Nepal

FY	2011	2012	2013	2014	2015	
Annual	0	1,126,000	813,000	749,000	312,000	
Cumulative	0	1,126,000	1,939,000	2,688,000	3,000,000	

Project Implementation Period: APL Phase 1: Bangladesh: July 2011 – June 2016; Nepal: July 2011 -- November 2015

Expected effectiveness date: July 1, 2011

Expected closing date: Bangladesh: December 31, 2016; Nepal: May 31, 2016

Does the project depart from the CAS in content or other significant respects?	<input type="radio"/> Yes <input checked="" type="radio"/> No
--	---

If yes, please explain:

Does the project require any exceptions from Bank policies?		X Yes <input type="radio"/> No
Have these been approved/endorsed as appropriate by Bank management?		X Yes <input type="radio"/> No
Is approval for any policy exception sought from the Board?		<input type="radio"/> Yes X No
If yes, please explain: The audit report of project accounts for the on-going Nepal REDD Readiness Plan (FCPF TF# 094724) implemented by MOFSC was not received by the due date. In accordance with the provisions of BP 10.02 Annex A, an exception by the Vice President of Operational Policy and Country Services and by the Vice President and Controller was approved for the presentation of this operation to the Board while the delayed audit report is awaited.		
Does the project meet the Regional criteria for readiness for implementation?		X Yes <input type="radio"/> No
If no, please explain:		
Project Development Objective (PDO): To assist the participating governments to build or enhance shared capacity, institutions, knowledge and incentives to collaborate in tackling illegal wildlife trade and other selected regional conservation threats to habitats in border areas.		
Project description [<i>one-sentence summary of each component</i>] Component 1: Capacity building for addressing the illegal trans-boundary wildlife trade Component 2: Promoting wildlife conservation in South Asia Component 3: Project coordination and communication		
Safeguard policies triggered?		
Environmental Assessment (OP/BP 4.01)		X Yes <input type="radio"/> No
Natural Habitats (OP/BP 4.04)		X Yes <input type="radio"/> No
Forests (OP/BP 4.36)		X Yes <input type="radio"/> No
Pest Management (OP 4.09)		<input type="radio"/> Yes X No
Physical Cultural Resources (OP/BP 4.11)		<input type="radio"/> Yes X No
Indigenous Peoples (OP/BP 4.10)		X Yes <input type="radio"/> No
Involuntary Resettlement (OP/BP 4.12)		X Yes <input type="radio"/> No
Safety of Dams (OP/BP 4.37)		<input type="radio"/> Yes X No
Projects on International Waters (OP/BP 7.50)		<input type="radio"/> Yes X No
Projects in Disputed Areas (OP/BP 7.60)		<input type="radio"/> Yes X No
Conditions and Legal Covenants:		
Financing Agreement (FA) Reference	Description of Condition/Covenant	Date Due
Bangladesh		
Schedule 2, Section I. A, Paragraph 1	Establishment of National Project Steering Committee	April 30, 2011
Schedule 2, Section I. A, Paragraph 2	Establishment of Project Implementation Unit within BFD	May 15, 2011
Nepal		
Schedule 2, Section I. A, Paragraph 1	Establishment of National Project Steering Committee (NPSC)	June 15, 2011

Schedule 2, Section I. A, Paragraph 2	Establishment of National Project Management Committee within NPSC	June 15, 2011
Schedule 2, Section I. A, Paragraphs 3 and 4	Appointment of NTNC as project coordination unit (PCU); staffing of PCU; and staff retention until project completion or 6 months of closing date	Condition of disbursement
Schedule 2, Section IV B, Paragraph 1	The Recipient has entered into the MOU with NTNC, in form and substance satisfactory to the Association	Condition of disbursement

Bangladesh and Nepal:		
Schedule 2, Section I. B	Application of Governance and Accountability Action Plan (GAAP) and the January 2011 version of the Anti-Corruption Guidelines set forth in the Financing Agreement	Throughout implementation
Schedule 2, Section I. C, Paragraph 1	Finalizing Operational Manuals for project proposal evaluation	Condition of disbursement
Schedule 2, Section I. C, Paragraph 1	Approval of proposals by Proposal Review Committee	Throughout implementation
Schedule 2, Section I. D, Paragraph 1 (a) and Paragraph 1 (b)	Implementation of project will not involve involuntary resettlement; Resettlement Action Plan (RAP) required prior to commencement of works	Throughout implementation
Schedule 2, Section I. D, Paragraph 2	Application of Environmental and Social Management Framework (ESMF)	Throughout implementation
Schedule 2, Section I. D, Paragraph 3 and 4	Conducting Environmental Assessments (EAs), Social Impact Assessments; (SIAs); application of Environmental Management Plan (EMPs), RAP and Resettlement Policy Framework (RFP); submission to IDA of EMP, RAP and RFP for review and application of modification or waiver after agreement of IDA	Throughout implementation
Schedule 2, Section II. A	Project reporting in accordance with the provisions of Section 4.08 of the General Conditions	Throughout implementation

Schedule 2, Section II. B, Paragraph 1	Maintenance of financial management system	Throughout implementation
Schedule 2, Section II. B, Paragraph 2	Submission of interim unaudited financial reports – quarterly for Bangladesh, trimester basis for Nepal – to IDA no later than 45 days after the end of each calendar quarter;	Throughout implementation
Schedule 2, Section II. B, Paragraph 3	External audit of financial statements for the period of one fiscal year; submission of audited financial statements to IDA no later than six months after the end of each fiscal year	Throughout implementation
Schedule 2, Section III. A, B and C	Procurement methods	Throughout implementation
Schedule 2, Section III. D	Prior review of contracts specified in the Procurement Plan; post review of all other contracts	Throughout implementation
Schedule 2, Section IV. A	Withdrawal of proceeds of IDA financing in accordance with Article II of the General Conditions, Section IV and	Throughout implementation
	Additional IDA instructions to finance eligible expenditures set forth in the table in Section IV. A	
Schedule 2, Section IV. A	Withdrawal conditions and Closing Date	As provided in FA

I. Strategic Context

A. Global and Regional Context

1. Natural habitats are vital for assuring sustainable development. Wild habitats are the repositories of biological diversity (biodiversity) – the raw material for natural selection and adaptation.¹ They provide myriad services that enrich and sustain human life with both tangible and intangible economic and social value – including watershed protection, biological control of pests, crop pollination – and life-sustaining environmental services, such as breathable air and usable water. Imbalances in natural environments have been implicated in floods, declining water availability and quality, soil fertility loss, erosion, silting of rivers, poverty, spread of diseases – such as ebola and malaria – as well as proliferation of invasive species. Goal 7 of the Millennium Development Goals (MDGs) seeks to reduce biodiversity loss, recognizing the link between poverty and natural resource depletion. Although quantification of economic benefits is difficult, there is strong evidence that conserving natural ecosystems and the species that sustain them makes sound economic sense. Moreover, given the scale of destruction in recent decades, there are high payoffs to conservation with often increasing returns to the investment.

2. Recognizing the importance of preserving biological diversity, a number of global treaties have been established. They include the Convention on Biological Diversity (CBD, 1992), Convention on International Trade in Endangered Species (CITES, 1981) and Convention on Wetlands (RAMSAR, 1971). International institutions are supporting countries in addressing environmental issues, such as the United Nations Environmental Program (UNEP), International Union for the Conservation of Nature (IUCN), Global Environmental Facility (GEF) and a number of national and international NGOs. Most countries of the world have adopted legislation and created institutions for the protection of wildlife and their habitats.

3. South Asia is home to 13-15% of the world's biodiversity and hosts some of the most charismatic and endangered species on Earth. India's Gir forests are the last refuge of the world's remaining 250-300 Asiatic wild lions. Habitats across Bangladesh, Bhutan, India and Nepal are home to over 65% of the 3,000 or so remaining wild tigers and the Himalayas are the last redoubt of the critically endangered snow leopard whose numbers are unknown. India is classified as a mega-diverse country and the Eastern Himalayas (encompassing numerous countries) a biodiversity hotspot.² Reflecting its rich natural heritage, a conservation ethos is

¹ Particularly important are the so-called “keystone” species that generate vital ecological services. The disappearance of a keystone can trigger cascading impacts throughout the habitat, with the loss of one species prompting the loss of others. An example of keystone species are the top predators that play a vital role in maintaining balance and sustaining the interconnected web of life – vegetation (biomass), herbivores and their predators. They serve as “bellwethers” for the health of the ecosystem that harbor them and their decline is often a clear signal of grave imbalances. Habitats where they thrive are typically the high-value ecosystems that provide economic value through (un-priced but life sustaining) services such as carbon sequestration, maintenance of hydrological balance, crop pollination, protection from natural disasters and soil erosion and preservation of plant genetic diversity. Large predators are thus powerful symbols of all that is irreplaceable and biologically significant in nature.

² The mega-diverse countries are a group of countries in which less than the 10% of the global land surface has more than 70% of the land's biodiversity. Most of these countries are located in the tropics. A biodiversity hotspot is a bio-region with a significant reservoir of diversity that is under threat from humans. It was first defined by Norman Myers in an article in “The Environmentalist” (1988) based on clearly specified criteria.

deeply engrained in the culture and history of South Asia. The first recorded conservation edicts in South Asia date to the 4th century BC when the emperor Ashoka issued royal decrees to protect elephants from hunting and capture.

4. The charismatic appeal of many species can generate additional economic benefits from conservation. Ecotourism is globally the fastest growing and most profitable segment of the tourist industry.³ Estimates suggest that the tourism revenues from habitats rich in biodiversity – though still under-priced and far below potential – run into significant sums and contribute significantly to livelihoods of the poorest. A recent valuation study finds that, on average, each hectare of dense forest in India generates a net present value from ecotourism of about INR 65,192 (US\$1,350). With an estimated 390,000 hectares of dense forest remaining in India, studies suggest that this constitutes a total economic contribution of approximately US\$636 million.⁴ This figure underestimates the potential value of undisturbed natural habitats because it excludes the other benefits that forests bring – such as timber, fodder, traditional medicines, bio-prospectivity (e.g. new medicines), non-timber forest products (NTFPs) and watershed benefits, among others – as well as the non-use (preservation) values. The distributional impacts are, perhaps, even more significant. Aside from timber, most of the benefits from forest resources accrue to the poor and account for more than 50% of their (implied) consumption.⁵ It is estimated that including these benefits would bring the total economic benefits into the high billions of dollars although more refined calculations are still in progress.⁶

5. Nepal's biodiversity is also extremely important for the country's economy as well as the well-being of its people. Forests which comprise 29% of Nepal's land area contribute to about 10% of its GDP.⁷ Forests represent the daily source of fuel wood, food, fodder, timber, and medicinal plants for about 80% of the country's population. Some rural populations help to sustain and manage forests in many parts of Nepal. Appropriate and sustainable forest management (including community management) has led to an increased supply of forest products with obvious livelihood benefits. Perhaps the best known example is the Tarai Arc Landscape project in Nepal which has demonstrated considerable success in the past through approaches that harmonize livelihoods, sustainable development and conservation. Despite the positive effects from community management of forests and the existence of national environmental policies, Nepal's ecosystems have been subjected to growing degradation.

6. Bangladesh too is rich in floral and faunal biodiversity. Due to immense population pressures, over-exploitation of natural resources, deforestation, degradation, habitat loss,

³<http://www.ecotourism.org/atf/cf/%7B82a87c8d-0b56-4149-8b0a-c4aaced1cd38%7D/TIES%20GLOBAL%20ECOTOURISM%20FACT%20SHEET.PDF>

⁴ Gundimenda H, S. Sanyal, R Sinha and P Sukhdev, 2009, *The Value of Biodiversity in India's Forests*, Deutsche Bank

⁵ See for example Gundimenda *et al* (*op cit*) and also Gundimenda H, S. Sanyal, R Sinha and P Sukhdev, 2009, *The Value of Timber and Non Timber Forest Products in India's Forests*, Deutsche Bank

⁶ These include livelihood benefits as well as the benefits that accrue from conservation (which is a pure public good). A pure public good is one that is non rival in consumption implying that the consumption by one person does not detract from its use by another. It is non-excludable in that its benefits cannot be restricted without cost. (Clean air and extinction are examples of a public good and a public bad, respectively.)

⁷ Luintel, H. et al, 2009. *Community Forestry in Nepal: Promoting Livelihoods, Community Development and the Environment*, Forest Action. Kathmandu.

pollution, indiscriminate killing, hunting and poaching of wild animals, Bangladesh's environmental and ecological balance is under severe threat. Studies indicate that 4-5% of faunal species and about 10% of floral diversity have become extinct in the last century. As an example, tigers once widespread in Bangladesh – and in the 1930s, were reported in 11 of 17 districts – have dwindled in range and numbers.⁸ Today, the largest remaining population of tigers is in the Sundarbans. There is little known about the national demand for tiger parts although a 1997 survey reported substantial trade in tiger skins, teeth and claws.⁹ What is known is that there is high regional demand and established international trade for tiger products so it is unlikely that Bangladesh is overlooked as a source of tiger parts. The geographical position of Bangladesh between India and Myanmar – countries that experience widespread poaching – may further increase the vulnerability of the Sundarban tigers.¹⁰

7. South East Asia also covers a remarkable portion of the earth's biodiversity with the habitats in the region being among the most diverse in the world. Indonesia, for example, is the world's most biologically diverse country. Laos and Vietnam are among the biodiversity rich countries in the world. Laos has the highest number of large mammals in the region and possibly the largest Asian elephant population in Indochina. Laos benefits from wildlife assets due mainly to its low population density, mountainous terrain and high forest cover (41.5%).¹¹ With 37% of forest cover, Vietnam enjoys rich and diverse natural ecosystems that support nearly 10% of the earth's mammal and bird species.¹² In both countries, the rural poor – especially those living in and near protected areas (PAs) – are highly reliant on forest resources. They depend on NTFPs to sustain their livelihoods and act as food security net (55% of family incomes for Laos and 20% for Vietnam). Like the South Asia region, South East Asia is experiencing a major loss of biodiversity. Its primary forest cover is declining by 95% and individual countries are losing 70-90% of their original wilderness. The key threats to wildlife are shifting cultivation within and on the edges of PAs, overhunting of prey species to supply domestic trade, international illegal wildlife trade for food, medicines and ornaments smuggled through porous borders to neighboring markets (China, Vietnam), weak wildlife law enforcement capacity, etc.

8. Good practice examples of conservation generating benefits for the rural poor outside the Asia region are relevant to South and South East Asia. Nearly three-quarters of the recorded protein consumption in Africa is derived from plant sources and food from the wild, particularly in times of stress, such as drought or floods. More importantly, new models demonstrate that sustainable and (relatively) high incomes are available to poor communities from conservation and profit-sharing practices of ecotourism that prevent excessive migration and over-development. Successful examples of conservation include the communal areas of Namibia where communities routinely earn in excess of US\$0.5 million each year from eco-tourism. Under the Masai Porini (Kenya) project, the local community leases out land to a private wildlife conservancy. Benefits in the form of an annual income of about US\$50,000 accrue to the formerly poverty stricken community. The project has helped to build schools for the

⁸ Mitra, S. N. 1957. *Animals for Hunting in Bengal*. Government of West Bengal, Calcutta.

⁹ Nowell, K. 2000. *Far From A Cure: The Tiger Trade Revisited*. TRAFFIC International, Washington, DC.

¹⁰ Nowell, K, Xu Ling. 2007. *Taming The Tiger Trade*. TRAFFIC East Asia Report.

¹¹ Laos Environment Monitor. 2005. The World Bank.

¹² Vietnam Environment Monitor. 2005. The World Bank.

community, sponsor local children through tertiary education systems, provide watering points for pastoral communities and vehicle transport and enable controllable grazing within the conservancy during times of great need.¹³

9. A top global priority regarding species conservation is that of the wild tiger. Tigers symbolize the plight of biodiversity in Asia and their reduction in numbers indicates ecosystems under stress. Recognizing the urgency and need to bolster commitment to tiger conservation, the World Bank, in partnership with the Smithsonian Institution, established the Global Tiger Initiative (GTI) in 2009. Given the appeal and ecological role of tigers, their effective conservation is vital to the conservation of many other rare and threatened species as well as to sustaining essential ecosystem services. Within a century, the numbers of wild tigers have plummeted such that they occupy only 7% of their historic range. Most tiger populations are isolated and small (numbering fewer than 30 individuals) and are found in 13 Tiger Range Countries (TRCs) – Bangladesh, Bhutan, India, Nepal in South Asia; Cambodia, China, Indonesia, Laos, Malaysia, Myanmar, Thailand and Vietnam in East Asia; and Russia. TRCs are participating in the tiger recovery efforts spearheaded through GTI and the Global Tiger Recovery Program (GTRP) adopted at the International Tiger Forum in St. Petersburg, Russia in November 2010. GTRP is built on the foundation of the National Tiger Recovery Programs (NTRPs) and needed Global Support Programs (GSP) to help with actions that individual TRCs cannot do alone.

B. Sectoral and Institutional Context

10. Governments in Asia are keenly aware of the benefits from biodiversity and the risks of biodiversity loss. Asian countries have been among the world's leaders in adopting legislation and ratifying international conventions for biodiversity conservation. South Asia – especially India – is a center of cutting-edge research on natural resource management and habitat conservation. Asian countries have adopted legislation for protection of endangered species and their habitats. They have devoted substantial resources to habitat conservation and, more recently, to enforcement of anti-poaching legislation. For example, India has more than doubled the budget available for wildlife protection from about US\$15.3 million in 2008-09 to about US\$38 million in 2009-2010.¹⁴ Laos increased its budget for protected area activities to US\$300,000 in FY2009/2010 from a mere US\$10,000 in earlier years. Despite the investments, Asia faces daunting challenges that are growing more severe. Habitat fragmentation and poaching for illegal wildlife trade are the most significant threats to biodiversity.

11. *Habitat degradation.* Not only do many of the high profile endangered species (such as the top predators and elephants) require large amounts of land, but their habitats need to be connected as well to assure long-term genetic survival. Through much of South Asia, the forest frontier has largely stabilized as a result of past large scale conversions of habitats (though there are notable exceptions in the conflict-prone and forested mineral and plantation belts). Approximately 4% of the region's land area has been granted Protected Area (PA) status which

¹³ <http://www.unep.org/GC/GCSS-IX/Documents/Kenya-2C.pdf>

¹⁴ India Today, July 6, 2009

confers varying degrees of legal and actual sanctuary to wildlife.¹⁵ At times, the legal sanction of PA status does not offer the sanctuary needed from intrusive activities and developments. The forest corridors linking these PAs are under constant and unrelenting pressure from intrusive structures, such as new roads and expanding settlements. As a result, many endangered species subsist in isolated population clusters. Small, fragmented breeding populations are especially fragile and at risk of genetic bottlenecks, a condition that reduces the capacity to adapt to changing conditions.¹⁶

12. *Poaching and illegal trade.* While habitat fragmentation is a severe problem, it remains a medium-term threat. The most serious and immediate risk to many species is poaching for wildlife trade. Poaching techniques can be extremely gruesome. The most egregious and cruel methods include skinning or de-horning of live animals and transporting live creatures in inhumane conditions. Wildlife are killed for the flourishing illegal international trade in their skins, bones, flesh, fur used for decoration, clothing, medicine, and unconventional exotic food. The primary market for many of these products is outside South Asia – often in East Asia – for items of presumed pharmacological utility.

13. The wildlife trade is big business. But due to the clandestine nature of the enterprise, reliable estimates of the composition, volume and value of the trade remain elusive. The International Criminal Police Organization (INTERPOL) suggests that the global value of the illegal wildlife related trade exceeds US\$20 billion per year and probably ranks third after narcotics and the illegal weapons trade. These estimates are acknowledged as imprecise.¹⁷

14. With South Asia's rich biodiversity, wildlife is a lucrative target of the trade. Victims of the trade are many and varied and include the iconic tiger and elephant, snow leopard, common leopard, one-horn rhino, pangolin, brown bear, several species of deer and reptiles, seahorses, star tortoises, butterflies, peacocks, hornbills, parrots, parakeets and birds of prey, and corals.

15. Particularly damaging is the banned trade in tiger parts much of which is used for its presumed pharmaceutical benefits. The World Chinese Medicine Society has declared that tiger parts are not necessary in traditional medicines and that alternatives are available and effective. Yet the illegal trade still flourishes. Poaching has become so intense that tigers have disappeared from many parks throughout Asia. Nowhere has the impact been greater than in India and Nepal which remain the bastions of tiger conservation. Nepal has emerged as the transit hub for the trade in illegal wildlife commodities destined for consumption in East China. Laos is recognized as both a source and transit country while Vietnam is a transit hub for illegal wildlife trade.

16. The economic value of the illegal wildlife trade is determined primarily by cross-border factors. Wildlife are poached in one country, stockpiled in another, and then traded beyond the

¹⁵ The level of protection accorded legally and in practice varies considerably. In Bhutan, large tracts of land in PAs contain farms, houses, a growing number of roads, logging and small industry. In India, however, the land under PA management is small (about 4.8%) and most forms of anthropogenic interference and commerce are legally discouraged from these areas.

¹⁶ Science suggests: "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one most adaptable to change." Charles Dariwin, 1859, *The Origin of Species*.

¹⁷ S. Sinha, 2010, *Handbook on Wildlife Law Enforcement in India*, TRAFFIC India/WWF India, New Delhi. Natraj Publisher.

South Asia region. The trade is controlled by criminal organizations with considerable power over the market and the prices paid to poachers and carriers render the control of the trade even more challenging.¹⁸ The UN Office of Drugs and Crime (UNODC) suggest that wildlife traders have links to other organized criminal activities (e.g. narcotics), presumably a reflection of the increasing returns to cross-border illegal activities. By contrast, poaching is often carried out by local or forest dwelling populations who receive only a fraction of the final price of the product. The magnitude and complexity of the problems are such that they frequently transcend national boundaries and thus call for knowledge sharing and compatible policies with renewed energy across the wildlife “supply” chain.

17. Lack of consistency in the enforcement of controls remains one of the greatest problems in the region. For example, Nepal has emerged as the staging post for wildlife trafficking, so success in tackling the problem will remain elusive unless more effective controls are established in Nepal with corresponding efforts in India. Bhutan has porous borders with both India and China, facilitating the transport of wildlife parts and products across borders. At present, there is no legislation in Bhutan to allow law enforcement agencies to check and apprehend foreign traders. The problem is compounded by the lack of trained staff across the entire spectrum of the trade chain from a shortage of effective anti-poaching patrolling to a dearth of legal, investigative and interdiction capacity at borders and within countries. Attempts to plug the gaps and to deliver assistance tend to be ad hoc, and often are not harmonized or well-structured, nor properly evaluated. And even where cross-border protocols have been established, they are typically not observed.

18. It is clear that no single country – acting alone – can eliminate the perils to South Asia's wildlife resources. Improved and more effective patrolling of PAs is one approach for addressing the poaching threat. However, tackling the challenge calls for a regional approach. Close collaboration is needed among nations and regions along the trade route as well as the centers of consumption (e.g., East Asia and North America).¹⁹ In this context, an opportunity has arisen for South East Asia to link or collaborate with neighboring South Asia on common national and regional goals as well as strategies for wildlife protection.

19. Countries in South and Southeast Asia are committed to the pursuit of collaborative responses to the effects of trade on endangered species. A number of regional initiatives have emerged, such as the South Asia Cooperative Environment Programme (SACEP), South Asia Wildlife Trade Initiative (SAWTI), South Asian Association for Regional Cooperation (SAARC) Convention on Cooperation on Environment and the Association of South East Asian Nations Wildlife Enforcement Network (ASEAN-WEN). However, these organizations have not been resourced adequately to implement activities. Most recently, in recognition of the grave threats

¹⁸ Technically, this market structure is complex and poses regulatory challenges. The market resembles an inverted wine glass. A large number of potential poachers (forest dwellers) operate under quasi open access conditions. The poached commodity is then sold to traders – the organized gangs – who are few in number and thus operate under oligopolistic conditions (i.e. have market control) and the product is sold via retailers to a large number of consumers. Where controls are optimally applied to cause the greatest disruption is not obvious – given the imperfectly competitive “middle”. See Bulte E. H. and R. Damania, 2006, “The Wildlife Trade”, *Ecological Economics*.

¹⁹ Numerous NGOs focus on demand side management and, through the GTI, the Bank is engaging on this issue. The communications component of this project offers an opportunity to address some of these complex issues.

to wildlife from illegal trade, all countries in South Asia agreed at the First Meeting on Illegal Wildlife Trade in South Asia – convened by the Government of Nepal in Kathmandu in May 2010 – to develop institutional mechanisms for harmonizing and collaborating against common threats, including the creation of the South Asia Wildlife Enforcement Network (SAWEN). At the SAWEN meeting of January 2011, it was decided that the SAWEN Secretariat will be located in Kathmandu, Nepal.

20. *Rationale for IDA involvement.* The World Bank – specifically, IDA – has supported numerous activities, including several investment loans in the South Asia region to support natural resource management and habitat conservation. IDA is well placed to engage on this issue as it is one of the few agencies with operations in all key countries. These combined resources give IDA a role to play in helping to develop and support a regional initiative to tackle the illegal trade in wildlife and wildlife conservation.

21. The proposed regional project aimed at addressing an environmental externality of global significance is aligned with the broad sustainability priorities of IDA’s Country Assistance Strategies (CASs) for Asian countries. Environmental sustainability concerns are key pillars of the Indian CAS. From a regional perspective, the CASs for Bangladesh, Bhutan and India recognize that regional knowledge partnerships are crucial in developing solutions to issues concerning global public goods, such as wildlife conservation. Nepal’s Interim Strategy Note (ISN) calls for enhanced focus on the environment and climate change as well as on strengthening PA management under a landscape approach, including for tiger habitats. The Bangladesh CAS recognizes environment as one of the country’s priorities. The CAS for Laos and Vietnam’s Country Partnership Strategy recognize the importance of sustainable environmental and natural resources management.

22. Furthermore, the World Bank – through its Internal Evaluation Group (IEG) – conducted a review of 20 World Bank-financed projects located in tiger habitats in Asia in light of the growing awareness about the need to balance poverty reducing investments with biodiversity conservation. The review raised an important question on the extent of the World Bank’s responsibility in ensuring that its clients address indirect threats that are beyond the direct influence of projects the institution finances.²⁰ In particular, the report discussed the threats from organized networks involved in illegal wildlife traffic and broached the question on the level and types of interventions that can complement project-level efforts and address the indirect threats. With its convening power, financial leadership and ability to leverage capital flows, and high-level dialogue with governments in engaging clients and regional partners in civil society, the World Bank plays a valuable part in combating the illegal wildlife trade through various forums, partnerships and initiatives.

C. Higher Level Objectives to which the Project Contributes

23. The core issue to be addressed by the proposed project is the mitigation of a regional public “bad” (illegal wildlife trade across borders) as the supply of wildlife “goods” are sourced from across South Asia (Bangladesh, Bhutan, India and Nepal) and South East Asia (Laos and Vietnam). Although there is wildlife in landscapes which include PAs in many South and South

²⁰ World Bank, 2010, “IEG Review of 20 World Bank-Funded Projects in Tiger Habitats”, *Evaluation Brief 12*.

East Asian countries, the threat of illegal wildlife trade is highest in border straddling areas. Adopting and implementing a regional approach seem to be the most appropriate solution to ensure the effectiveness of interventions in addressing illegal wildlife trade, habitat management and conservation of flagship species. With an initial focus on border habitats, the proposed project would create harmonized enforcement standards, develop best practice applications, share successful schemes and conduct knowledge/research across the “supply” region and these represent the only viable measures for substantially and comprehensively reducing illegal wildlife trade.

24. On the demand side, the economic value of this trade is determined primarily by the cross-border trade which, in large measure, is channeled via various regional countries and then transported out of the region.²¹ Demand countries for trade in wildlife found in Laos are China and Vietnam. Vietnam is more seriously threatened by increasing domestic demand for wildlife; hence, imports rather than exports of illegal wildlife products are major concerns for the country. Uniformity in enforcement of controls on illegal poaching or trade is an essential component for combating the illicit practices.

25. Accordingly, the higher level objective to which this project contributes is to improve the effectiveness of wildlife and habitat conservation in the countries participating in this project by addressing key regional threats, such as wildlife trade and habitat management in critical boundary areas.

26. Geographically, the inter-connectedness of habitats and ecosystems between the countries participating in the proposed project is well-known: Nepal and India in the Tarai region; India and Bangladesh in the Sundarbans; Bhutan and India in the Eastern Himalayas. Also, Laos and Vietnam share a particularly diverse ecosystem, the Annamite Range, along their long borders. Any activity in the habitat of one country will have repercussions across its borders. Therefore, wildlife management and habitat conservation efforts need to be coordinated between countries to ensure that no actions in one country are detrimental to its neighbors.

27. Research efforts are fragmented with limited scientific collaboration or exchange across borders and even within countries. A formal mechanism for knowledge sharing and fostering scientific partnerships within the region and beyond is absent. These provide opportunities for strengthening links among Asian countries as well as with world-class institutions for managing connected PAs and tracking animal populations across borders, among others. A knowledge and capacity building partnership that also addresses the trans-border dimension would build complementarities and generate benefits in the form of shared knowledge and perspectives. Applying knowledge in practice to develop and validate techniques – appropriate to the national context of each participating country – will be essential in a regional approach.

28. South Asia is considered to be the least integrated region globally. For the first time, the countries are taking bold actions to protect endangered flagship wildlife species such as the tiger, rhinoceros, snow leopard and elephant and their habitats, recognizing that only a regional approach – while also providing flexibility to accommodate the efforts of South East Asian

²¹ Sources of demand are largely outside South Asia and beyond the scope of the project, though it is envisaged that there would need to be close collaboration with organizations that do address this issue (e.g. TRAFFIC).

countries – will provide a viable and cost-effective solution to wildlife protection and conservation. Such collaboration would help build synergies and provide tools for more effective enforcement of the wildlife trade and landscape based conservation. The effort would be multi-faceted, recognizing the complexity of the trade and the need for responses across the many links of the gruesome trade.

29. The project would build on ongoing regional initiatives and on SAWEN as proposed and agreed by the countries at the May 2010 Kathmandu meeting. The meeting was a turning point as countries forged their commitment as a region to support wildlife protection and conservation. The modalities of the agreement and ensuing legal structures for SAWEN have been agreed upon in principle at the SAWEN inaugural meeting in Paro, Bhutan in January 2011. Moreover, the countries are enhancing their collaboration with global efforts through existing organizations, such as CITES, TRAFFIC,²² United States Fish and Wildlife Service (USFWS), World Wildlife Fund (WWF), UNODC, Association of South East Asian Nations – Wildlife Enforcement Network (ASEAN-WEN), INTERPOL and the International Consortium on Combating Wildlife Crime (ICWC). The latter was established at the St. Petersburg Tiger Summit in November 2010 by the heads of CITES, INTERPOL, UNODC, World Customs Organization (WCO) and the World Bank. Collaboration with TRAFFIC in the design of the staff capacity building and training program under the project's Component 1 has been a welcome endeavor.

30. Moreover, the proposed project – as part of the broader cross-regional efforts – is aligned with the World Bank-wide conservation priorities supported by GTI, a coalition of multilateral institutions, countries and other agencies launched and led by the World Bank's President. It supports the November 2010 St. Petersburg Declaration on Tiger Conservation and GTRP adopted by the heads of governments of the tiger range countries – in which the partners specifically recognize the threat posed by wildlife crime and agree to collaborate and bring resources to the problem. The project would be aligned with the priority actions under the respective NTRPs of the participating countries.

II. Project Development Objectives

A. PDO

31. The long-term vision of the regional program is to stabilize and, if possible, increase the population and habitats of critically endangered animals in Asia. Since wildlife and habitats cross administrative boundaries and because knowledge and capacity vary widely across and within countries, a regional approach is needed to address cross-border issues, build synergies, share skills, knowledge and experiences and build regional collaboration for the conservation of critical habitats and ecosystems. The proposed project sits squarely in GTI's framework and introduces mitigation measures for a regional public bad – illegal wildlife trade.

32. The project development objective (PDO) is **to assist the participating governments to build or enhance shared capacity, institutions, knowledge and incentives to collaborate in tackling illegal wildlife trade and other selected regional conservation threats to habitats in**

²² TRAFFIC is the global wildlife trade monitoring network.

border areas. The project will focus on a selected set of country-specific initiatives as well as key mutually agreed regional activities that are crucial to attaining the regional strategic goals.

B. Project Beneficiaries

33. The proposed project aims to contribute to a global public good (conservation of endangered species) by addressing its inverse, a global public bad (illegal wildlife trade). On account of the global public good aspect, it is inherently difficult to quantify all the benefits from undertaking the project.²³ However, it is clear that when the project objectives are met, global benefits will be generated. Also, countries will benefit through more effective utilization of their budgets on wildlife crime enforcement and, insofar as there are presumed links between wildlife crime and other criminal activities, there would be additional benefits from the interdiction of other global crimes.

34. Since the project includes enhancements to wildlife management and knowledge, the stock of natural capital in these countries will increase. Recent economic analysis by the World Bank demonstrates that increases in natural capital are vital for fueling sustainable increases in national wealth, again suggesting the scope for national benefits.²⁴ In addition, since many of the poor rely on these natural resources for their livelihoods, increasing natural capital productivity would have positive development outcomes too.

C. PDO Level Results Indicators

Key Performance Indicators

35. Progress towards the development of regional interventions for addressing illegal wildlife trade and other conservation threats would be demonstrated with the following indicators:

- Progress towards the development of sustainable regional mechanisms for addressing illegal wildlife trade and other conservation threats
- Development of at least one protocol each on a common research agenda, knowledge sharing, collaboration and division of labor
- Agreement among the enforcement agencies on at least two regional protocols, including approaches and solutions
- Implementation of at least three regional pilots or initiatives in wildlife enforcement and conservation

²³ A pure public good is defined as a commodity that is non rival in consumption – that is many can consume it simultaneously – like clean air or conservation. And it is non excludable – once provided one cannot feasibly restrict who benefits – that is the entire globe benefits from clean air, or a rare species being conserved in its natural habitat. Thus, identifying a beneficiary in this context is at best a partial exercise that may not have full resonance.

²⁴ World Bank. 2006, *Where is the Wealth of Nations: Measuring Capital for the 21st Century*, Washington DC.

III. Project Description

36. The project would apply a two-pronged approach: (i) capacity building to address the illegal wildlife trade through regional cooperation; and (ii) habitat protection and management to generate regional conservation benefits and address the human-wildlife conflict, thereby ensuring the conservation of flagship species such as the tiger, snow leopard, rhinoceros and elephant in increasingly fragmented habitats. The interventions would enhance the capacity of the relevant agencies in the participating countries to carry out conservation based on a landscape approach and also to address wildlife trafficking. The landscape approach would lead to improved management of the national PA networks²⁵ – that are essential to the long-term conservation of the tiger and other charismatic flagship species – and would control against the adverse impacts of the illegal trade. Flagship species require vast habitats for effective, long-term conservation yet many of them – e.g., tiger, rhinoceros, snow leopard and elephant – are confined to small, isolated and fragmented PAs which threaten their survival. It is critical that flagship species are managed effectively not only in the designated PAs within the participating countries but also along the wildlife corridors to ensure connectivity between PAs and contiguous ecosystems. Conservation of Asia's flagship species would lead to improved natural habitats for *all species* and, ultimately, healthy ecosystems for South and South East Asia.

37. The implementation of specific project components or sub-components under the mentioned two-pronged approach would be carried out in a sequential manner. The institutional building activities that comprise Components 1 and 3 as well as Sub-component 2.1 would be implemented soon after project effectiveness. Specifically, those activities would build capacity and strengthen institutions to combat illegal wildlife trade and crime, develop and sustain knowledge sharing and partnerships across agencies and institutions in South Asia and enable them to act with common standards and communicate a shared message on the regional threats to wildlife conservation. As progress with institution building proceeds, such activities would be followed and supported by investments in PAs and other wildlife habitats under Sub-component 2.2 that would lead to improved management of connected habitats. Those investments would improve PA management and conservation of flagship species on a landscape basis and address the human-wildlife conflict through engagement with the local communities and civil society, thereby fostering an enduring culture of wildlife stewardship and protection. Implementation of Sub-component 2.2 is expected to commence approximately one year after effectiveness.

38. A horizontal adaptable program loan (APL) is proposed to allow countries to join when they are ready (see Section III.B). Two countries – Bangladesh and Nepal – are participating in the first phase of the APL, with an IDA credit and IDA grant, respectively. In response to a formal request from Bhutan, preparation of the second phase would commence shortly. Laos and Vietnam may join at a subsequent phase. As a regional leader in conservation, the Government of India's decision to increase resources for PA management and wildlife protection has energized the collaboration among South Asian countries around conservation. India may participate in the project in the future and, if it does, there would be no investments funded by

²⁵ National protected area (PA) networks consist of national parks and forests as well as forest reserves (FRs) or reserve forests (RFs).

IDA in the country's PAs and other wildlife habitats.²⁶ At a meeting in November 2010 among conservation officials from Bangladesh, Bhutan, India and Nepal – as the main project stakeholders – the participants discussed the project's regional issues and agreed to adopt specific mechanisms for collaboration in addressing the threats to wildlife and habitats. The participating officials from Bhutan and India have committed to join the proposed Regional Policy Steering Committee (one of the project's regional governance bodies) aimed at ensuring regional coordination as soon as the Committee is established within the first APL.

A. Project Components

Component 1: Capacity building for addressing the illegal trans-boundary wildlife trade (Total US\$9.2 million, of which: Bangladesh US\$8.3 million and Nepal US\$0.9 million)

39. Component 1 aims to bring about regional harmonization and collaboration in combating wildlife crime through strengthened legislative and regulatory frameworks, well-equipped specialized agencies and systems, as well as relevant training and awareness programs for staff across the range of agencies that contribute to the enforcement of wildlife laws and regulations. It is anticipated that the activities collectively would generate well coordinated frameworks, systems, technology, infrastructure and expertise at compatible or near compatible levels across the countries participating in the project.

40. *Sub-component 1.1 Institutional strengthening in wildlife conservation and illegal wildlife trade control* (approximately US\$5 million) would support: (i) technical advisory/assistance (TA) services to establish, upgrade or strengthen the different units under Bangladesh's Wildlife Circle and Wildlife Center to undertake training, research, education and awareness and monitoring and evaluation (M&E); (ii) TA services to establish Bangladesh's Wildlife Crime Control Unit (WCCU) and Nepal's Wildlife Crime Control Bureau (WCCB) responsible for forensics and quarantine activities and assistance in the discharge of country responsibilities as signatories to CITES; (iii) TA services for the development of analytical and operational protocols to meet CITES requirements; (iv) provision of operational support and training for field-level rapid response cells responsible for controlling illegal wildlife trade; (v) TA services for the review and revision of Nepal's legislative framework and strengthening of relevant institutions; and (vi) operational support for the establishment of the Secretariat for Nepal's National Tiger Conservation Committee within the Ministry of Forests and Soil Conservation.

41. Bangladesh is in the midst of revising the country's Wildlife Conservation Act that would grant more powers to the Wildlife Circle (WC) within the Bangladesh Forest Department (FD) and create a better enabling environment for wildlife management. The project would support technical and management consultancies to enable BFD to effectively discharge its enhanced mandate under the new Act. The consultancies would evaluate BFD's roles and responsibilities under the new Act and assist BFD in developing an effective institutional structure and in building capacity to carry out its mandate. Nepal, on the other hand, has a long history of wildlife conservation as demonstrated by the enactment of various policies, legislation and

²⁶ This acknowledges the views of a few prominent conservationists in India who have publicly objected to IDA's engagement in PA management in India.

regulations. However, weak institutional capacity and inadequate financial resources have resulted in lapses in enforcement of regulations and poor PA management.²⁷

42. *Sub-component 1.2 Staff capacity building and training toward regional collaboration* (about US\$4 million) would support: (i) training and re-orientation for the benefit of the staff of the implementing agencies to effectively manage PAs and forest reserves or national forests in both countries; (ii) training for Bangladesh Wildlife Circle staff to implement the Wildlife Conservation Act, including regional knowledge sharing; (iii) establishment or strengthening of the Wildlife Center; and (iv) training to the staff of the Wildlife Center in M&E techniques.

43. The development of Sub-component 1.2 benefited from TRAFFIC's recommendations (See Annex 8). As part of TRAFFIC's mission to deliver innovative and practical conservation solutions, it develops and organizes training and other capacity-building initiatives for officials involved in the regulation of wildlife trade. As recommended by TRAFFIC, the project would highlight new ways for enhancing the ability of agencies within Bangladesh and Nepal to combat illegal wildlife trade and strengthen conservation and PA management.²⁸

Component 2: Promoting wildlife conservation in Asia (Total US\$25.1 million of which: Bangladesh US\$ 23.5 million and Nepal US\$1.6 million)

44. *Sub-component 2.1: Virtual Regional Center of Excellence (VRCE) for wildlife conservation* (about US\$2 million) seeks to fill crucial knowledge and information gaps in addressing the many regional threats to conservation. It entails the creation of the VRCE that would include a network of scientists and practitioners in wildlife conservation whose mission would be to expand the scope and quality of research in wildlife conservation needed to develop a common response against illegal wildlife trade in and outside the region and to address other regional conservation and landscape level issues to be agreed by the participating countries.²⁹ Specifically, this sub-component would support the provision of TA services and equipment for VRCE's establishment and operations.³⁰

45. VRCE would provide the first (and only) coordinated, institutional response for research and knowledge dissemination on wildlife conservation in South Asia with possible links to analogous efforts in East Asia.³¹ The exclusive focus will be on either promoting a conservation-related regional public good or addressing a regional public bad. Given the existence of national institutions with expertise in this area already, it is critical for VRCE to

²⁷ Winrock International, 2006, *Environmental Policy and Institutional Assessment*.

²⁸ These may include establishing a focal point within each agency or national multi-agency task forces as well as conducting cross-country, multiple agency training to bolster intra-agency cooperation. ICCWC may be able to contribute to the implementation of this sub-component.

²⁹ Knowledge generation and research within the VRCE would focus primarily on conservation and species management research. Better management of PAs, species and stronger conservation would enable the establishment and maintenance of systems and mechanisms to address the threats to wildlife due to poaching and illegal trade.

³⁰ In the case of Bangladesh, this would include upgrading of library facilities in BFD and other institutions or agencies and provision of on-line access to technical journals.

³¹ Laos and Vietnam may join the VRCE at a later stage. Connection to other knowledge hubs and centers of excellence in Southeast Asia and Africa may be established through the relevant partnership mechanisms under the Global Tiger Recovery Program and the South-South Experience Exchange Program, respectively.

bring value-added and not duplicate existing efforts. By playing the role of coordinator and facilitator of knowledge and expertise, VRCE could become a vehicle for promoting dialogue and good practices as well as disseminating knowledge. Because the center will be virtual and will have no central physical facility, it will rely heavily on state-of-the-art information and telecommunication technology (ICT) to conduct its business and to attain its objectives. A Regional Operational Steering Committee (ROSC) – described in Section IV.A – would assist in the development of VRCE’s overall program and objectives.³²

46. VRCE would build on existing regional and global environmental initiatives and benefit from established experience, mechanisms and protocols. It would draw on strategic partnerships with renowned wildlife conservation institutions in the region and elsewhere. It would develop an active *knowledge dissemination program* that would include: (i) publication of research and pilot project results; (ii) sponsorship of workshops, lectures and seminars; (iii) special seminars aimed at decision makers in the participating governments (legislators, administrators and policy makers); (iv) training modules and teaching materials for wildlife managers; and (v) development of protocols for informing policy and wildlife managers in the field.

47. *Sub-component 2.2: PA, Reserve Forest (RF) and National Forest (NF) management with regional conservation benefits*³³ (about US\$23 million). The client countries recognize that conservation of wildlife resources, in general, and of charismatic flagship species, in particular, would not succeed without prudent investments in PAs, RFs and NFs aimed at ensuring a haven for wildlife. Hence, this sub-component would support: (i) the establishment and operation of two competitive funding windows for the conservation, protection and management of PAs, RFs and NFs with regional conservation benefits; and (ii) innovative pilot projects in wildlife conservation with regional dimensions.

48. Window 1 of Sub-component 2.2 would support the following typical activities: rehabilitation and development of water resources in PAs and RFs; control of invasive species; rehabilitation of existing roads; improvements in existing park infrastructure; species monitoring and recovery programs; preparation and implementation of endangered species recovery plans; protection of inviolate areas for species conservation; implementation of real-time field-based monitoring systems; development of landscape scale imaging platforms and strengthening enforcement of laws and regulations. Window 2 would support innovative research projects in wildlife conservation which would benefit PA and species management; pilot programs in conservation of endangered species; piloting of human wildlife coexistence models and incentive schemes, such as payments for environmental services for those affected by the conflict; conservation of biodiversity affected by climate change; development of ecotourism plans with regional conservation benefits; and implementation of priority activities under the latter plans.

49. The project will support activities under both windows in Bangladesh. However, Window 1 will not be implemented in Nepal. The Government of Nepal will allocate funds amounting to US\$6 million over five years from its national budget to support activities on conservation, protection and management of PAs and NFs for long-term, regional conservation

³² VRCE would be managed by a director and this position is envisaged to rotate among the participating countries to assure appropriate ownership and representation.

³³ Forest reserve (FR) and reserve forest (RF) are used interchangeably throughout the document.

benefits. The Government's support and the specific activities will be carried out separately and will not be part of the proposed project. Window 2, however will be implemented in Nepal.

50. A competitive, demand-driven approach to reward innovation and efficiency of the managers of the PAs, RFs and NFs would be applied in selecting the activities that would receive support under Windows 1 and 2. A transparent review and approval process for both windows will be developed and implemented. The eligibility criteria (including a negative list of activities) will be specified in the operational manuals that will be finalized prior to disbursement for Windows 1 and 2.

51. Lessons from ADB and other donor-funded wildlife projects in South and East Asia demonstrate that partnerships between public conservation agencies with NGOs (such as WWF, WCS, IUCN, etc.) and local communities are integral to the success of pilot models but the sustainability of the initiatives relies on the leadership of the public conservation agencies. To that end, the project would promote partnerships between NGOs or local communities and the managers of PAs, RFs and NFs but the submission of Window 2 proposals will be led by the conservation agencies. Access to Window 2 funds may be secured *indirectly* by NGOs and communities through their partnerships with the conservation agencies in preparing and carrying out activities as part of projects supported by Window 2.

52. Since the precise PA, RF and NF sites as well as conservation landscapes would be identified during the preparation of the funding proposals, more focused consultations with those communities that may be affected by the proposed investments as well as site-specific environmental and social assessments would be undertaken when Component 2.2 is underway. However, both countries prepared respective environmental and social management frameworks consisting of assessments of generic environmental and social issues that may arise during implementation and of mitigation measures as well as guidance for future site-specific environmental and social assessments (see VI.E).

Component 3: Project coordination and communication (Total US\$4.8 million, of which: Bangladesh US\$4.6 million and Nepal US\$0.2 million)

53. Component 3 would provide services, TA and incremental costs for project staff as well as operating costs for the management and coordination of the project. *Sub-component 3.1* (about US\$1.4 million) would support project coordination arrangements for national and regional activities.

54. *Sub-component 3.2: Communications* (about US\$0.5 million). The project will adopt a multi-pronged approach to communications in order to meet regional and local challenges. The project would set up separate communications units within the PIU/PCUs that will implement coordinated strategies for regional and national communication. A wide range of consultations with various stakeholder groups will be conducted at the national and local levels. It is expected that rolling consultations will continue throughout the project cycle. To ensure that all stakeholders have a clear understanding about this project, mass communication tools will be used to simplify and explain the basic concept and principles. The tools will include multimedia audio/video products, dramas in local languages, brochures, and website(s). These products will

be tailored to meet local conditions and languages. The communications sub-component – that is being developed and implemented in collaboration with the World Bank’s external relations specialists – will harmonize with GTI in view of the latter’s broader geographic mandate to engage in demand side management. Nepal would use budgetary financing outside this project for a communications program, contingent on the approval by the National Project Steering Committee (NPSC).

55. Sub-component 3.3 of some US\$3 million, would represent the Government of Bangladesh’s commitment to cover the salaries and overheads of existing government staff and the cost of land purchases and development to build wildlife recovery and rehabilitation centers.³⁴

B. Project Financing

56. Total IDA financing requirements are estimated at US\$36 million (credit) for Bangladesh and US\$3 million (grant) for Nepal. Project costs by components are outlined in Table 1 under Project Financing Table.

1. Lending Instrument

57. The proposed lending instrument is a regional horizontal adaptable program loan (APL).

- A horizontal APL structure permits countries to join on a commitment and/or readiness basis. This APL is envisaged as a four-phased operation. The proposed project involves two countries – Bangladesh (US\$36 million credit) and Nepal (US\$3 million grant) – in the first phase, having demonstrated their formal commitment and readiness. Bhutan’s commitment to join the program has been conveyed in a formal letter to IDA management. India, Sri Lanka, Laos and Vietnam may participate in the APL with all phases expected to total US\$130 million.³⁵ Implementation of the first phase is planned for July 2011 -- June 2016, the second phase for November 2011 – November 2016 and the third and fourth phases for January 2012 – June 2018.
- The regional project is appropriate because no country can manage or eliminate the threats of poaching and the illegal wildlife trade on its own. The magnitude and complexity of the problems transcend national boundaries and call for knowledge sharing and compatible policies. The regional approach will help build synergies, enhance wildlife conservation through a landscape approach, provide tools for more effective enforcement, support agencies in each country to address wildlife trafficking and build closer collaboration with existing global organizations.

³⁴ The Government of Bangladesh will contribute around US\$3 million to the project to cover the salaries of existing government staff who will work on the project and their overheads and to purchase land to build the four wildlife recovery and rehabilitation centers. IDA funds allocated for operating costs will not cover these overhead costs.

³⁵ To date, the notional IDA financing amounts are US\$2.25 million for Bhutan, US\$36 million for India, and US\$30 million for Laos and Vietnam.

- The core issue relates to mitigation of illegal wildlife trade across borders. The supply of wildlife is based throughout South and South East Asia (Bangladesh, Bhutan, India, and Nepal as well as Laos and Vietnam) and located physically in border straddling areas. A regional approach is an appropriate solution for ensuring the effectiveness of efforts to reduce the illegal trade and enhance habitat management/conservation.
- For countries to join the horizontal APL, the *triggers* are as follows: (i) a formal expression of interest and willingness to tap IDA resources for the project; (ii) a program of activities designed to meet the regional project's PDO; and (iii) appraisal of the country program by the World Bank.
- As a regional operation, the participating countries have access to regional IDA funds.

2. Project Financing Table

Table 1. Project Costs by Component for APL First Phase

Project Cost by Component	Project cost (US\$ million)	IDA Financing (US\$ million)	% Financing
Bangladesh			
Component 1: Capacity building and cooperation for addressing the illegal trans-boundary wildlife trade	8.3	8.3	100
Component 2: Promoting wildlife conservation in South Asia	23.5	23.5	100
Component 3: Project coordination and communications*	4.6	1.8	33
Total Baseline Costs	36.4	33.6	
Price Contingencies	2.6	2.4	
Total Project Costs	39.0	36.0	
Total Financing Required	39.0	36.0	92
Nepal			
Component 1: Capacity building and cooperation for addressing the illegal trans-boundary wildlife trade	0.9	0.9	100
Component 2: Promoting wildlife conservation in South Asia	1.6	1.6	100
Component 3: Project coordination	0.2	0.2	100
Total Baseline Costs	2.7	2.7	
Price Contingencies	0.3	0.3	
Total Project Costs	3.0	3.0	
Total Financing Required	3.0	3.0	100

* Government of Bangladesh will contribute around US\$3 million to the project to cover the salaries of existing government staff who will work on the project and their overheads and to purchase land to build the four wildlife recovery and rehabilitation centers. IDA funds allocated for operating costs will not cover these overhead costs.

C. Lessons Learned and Reflected in the Project Design

58. Tackling the illegal wildlife trade remains a formidable challenge and the project recognizes that interventions will need to be sustained and multi-pronged. It would require tackling the many links along the “supply” chain, with a focus on the vulnerabilities, as well as the demand side which is a long-run issue, with consumption occurring outside the South Asia region. Lessons can be drawn from past World Bank activities, although limited, in addressing the illegal wildlife trade issue. For example, the World Bank-Netherlands Partnership Program financed a study called “What’s Driving the Wildlife Trade?” initiated by TRAFFIC in 2008 that examined the factors influencing wildlife trade in South East Asia.³⁶ There are lessons to be learned from the accumulated evidence of enforcement agencies in this and other related sectors. At the outset of project preparation, it became evident that a “do-nothing” alternative could not be considered. Countries acting unilaterally are spending increasingly large sums to protect endangered species and eroding habitats but with limited impact. On account of the economic magnitude and perhaps, even more significantly, of the ethical dimension of the problem, a regional engagement on the issue is arguably warranted.

59. Thus far, countries are tackling the illegal trade unilaterally, with uncoordinated investments in enforcement, while the problem is regional in nature. As noted earlier, valued wildlife resources are poached in one country, stored in another and transported through another to the final destinations. The trade is practiced by moving to the most porous locations with the least level of enforcement. Coordination and unity of enforcement efforts are essential to increase the costs and retard the volume of the illegal trade. The regional approach proposed in this program is necessary to assure more effective investments in tackling the illegal trade. Drawing upon the foundation of the ASEAN–WEN, this project will seek to promote synergies and harmonize enforcement efforts. However, there are very few best practices and lessons that are available in this context. Recognizing the complexities involved, an important aspect of this project is to create the synergies and structures that are needed to promote learning, and adaptive management approaches that lend themselves to improvements.

60. The project design has benefited from the growing body of empirical evidence on the medium-term performance of Integrated Conservation and Development Projects (ICDPs). ICDPs reached a high point in the 1980s and 1990s. They offered tantalizing prospects for promoting conservation and rural development simultaneously and often without any need for explicit investments in habitat or wildlife protection. Typically, ICDPs have provided alternative rural livelihoods in an attempt to draw labor away from more destructive forms of economic enterprise (e.g. fuel wood collection or poaching) towards sustainable modes of employment. As many ICDPs have reached maturity, objective and retrospective quantitative evaluations have become possible where adequate baseline data have been collected. The emerging literature suggests that success in achieving the dual goals of development and sustainability often has been elusive. ICDPs have been more successful in providing rural employment than in

³⁶ The World Bank has engaged on regional forest law and governance (FLEG) processes through GTI and through a GEF Medium Sized Project for Southeast Asia (Tiger Futures) to examine the drivers of unlawful wildlife trade (especially of charismatic species) throughout Asia (particularly focusing on tiger range states, which include both Nepal and Bangladesh). Lessons from such engagement are presented in a document prepared by TRAFFIC.

producing any discernable conservation benefits. Success is especially challenging in economies with dense populations because project coverage is seldom broad enough to cover the relevant population. Even with comprehensive coverage, perverse and counterproductive consequences have been observed because the project acts as a magnet, attracting more people and resulting in greater exploitation of the resource base. Indeed, ICDPs tended to add new income-generating activities rather than eliminate or substitute activities not conducive to conservation.

61. In recognition of the limitations, Sub-component 2.2 of the project looks to alternative research on approaches that blend regulations with direct incentives for conservation. This is consistent with the most recent empirical and experimental economics literature on incentives and performance (conducted outside of South Asia).³⁷ The literature suggests that direct and narrowly targeted incentive schemes that are based on rewards for conservation outcomes (e.g. competitive funding, targeted payments for environmental services programs) are likely more effective than indirect and broadly targeted schemes (such as ICDPs). Sub-component 2.2 would promote innovation in regional conservation approaches through competitive, demand-driven funding with a transparent process for the submission, review and approval of proposals.

IV. Implementation

A. Institutional and Implementation Arrangements

62. **Regional.** The participating countries have agreed that a strong regional coordination mechanism would need to be in place to ensure the achievement of the PDO. Regional coordination would be exercised at two levels: (i) the policy level; and (ii) the operational level. At the policy level, a Regional Policy Steering Committee (RPSC) would be established. The RPSC would comprise the Secretaries of the Ministries responsible for wildlife and forestry in the participating countries and the heads of the project implementing agencies. The RPSC's main responsibility is to ensure collaboration and coordination in regional wildlife conservation and wildlife protection policies. It would be the forum for resolving operational issues with regional implications that arise during implementation. Its chairmanship would be assigned to the ministerial Secretary of a participating country for one year and would be rotated among the participating countries. IDA may be invited to participate in the RPSC meetings as an observer. The RPSC would meet once a year in the country chairing the committee.

63. At the operational level, an Operational Steering Committee for Regional Coordination (OSCRC) of the project would be established. Membership in the OSCRC would include the heads of the agencies responsible for wildlife and forestry (i.e., the project implementing agencies) of the participating countries, project managers from each country and one non-government technical expert in the field of wildlife conservation nominated by each participating country. The OSCRC's main responsibilities are to ensure effective coordination of project

³⁷ Incentive-based approaches to conservation are being more widely used across the world (see, e.g., A. Arendondo "Green Auctions", *Ecological Economics* (forthcoming); E Bulte and R Damania "Modeling the Economics of Interdependent Species", *Natural Resource Modeling*, 2002, 16: 21-33; T. Cason and R Gangadharan, "A Laboratory Based Test of Conservation Auctions" *Journal of Environmental Economics and Management*, 2004, 46: 446-57

activities that have regional implications and to foster dialogue on wildlife conservation issues among the participating countries. Any contentious issue that cannot be resolved by the OSCRC may be elevated to the RPSC for recourse. The OSCRC would be chaired by the head of the agency responsible for wildlife conservation and management in each participating country for one year and chairmanship would be rotated among the countries.³⁸ IDA may be invited to participate in the OSCRC meetings as an observer. The OSCRC would meet every six months in the country chairing the committee.

64. The project implementing/coordination units (PIU/PCU) in the participating countries chairing the RPSC and the OSCRC will serve as the secretariats to both committees.³⁹

65. **Bangladesh.** The project will be implemented by the Bangladesh Forests Department (BFD) under the Ministry of Environment and Forest (MOEF). MOEF will create a National Project Steering Committee (NPSC) responsible for overall project oversight at the country level. The PSC will be chaired by the Secretary of MOEF and will include members from the relevant ministries, government departments/agencies, relevant civil societies and research organizations dealing with wildlife conservation and research. The NPSC would meet semi-annually to review project progress and provide policy directions and guidance.

66. BFD would establish a Project Implementation Unit (PIU) headed by a Project Manager. Also, a Project Implementation Committee (PIC) will be set up and will consist of senior officials from BFD. The PIC, chaired by the Chief Conservator of Forests (CCF), will be responsible for: (i) reviewing the quarterly and annual progress of the project based on reports prepared by the PIU; (ii) guiding the PIU on implementation; (iii) reviewing and approving updated procurement plans and interim un-audited financial reports (IUFs); and (iv) making independent field visits to the project areas to assess field implementation.

67. The CCF will have the overall responsibility for the project's smooth implementation. A Project Director (PD) not below the rank of Conservator of Forests (CF) will be appointed and will report to the CCF. The PD will be responsible for the implementation and coordination of all project activities through the Divisional Forest Officers (DFOs) and the PIU will provide necessary support to the PD during implementation. The PIU's technical and administrative activities will be coordinated by the Project Manager on behalf of the PD. The Project Manager will be responsible for the day-to-day implementation of the various components as well as the technical and fiduciary aspects.

68. **Nepal.** The main agency responsible for implementation will be the Ministry of Forest and Soil Conservation (MOFSC). MOFSC will direct the Department of National Parks and Wildlife Conservation (DNPWC) and the Department of Forest (DOF) to implement their respective project components. The Directors General (DGs) of DNPWC and DOF will report to the Secretary of MOFSC. MOFSC will create a National Project Steering Committee (NPSC) responsible for overall project oversight. The NPSC will be chaired by the Secretary of MOFSC and will include members from the two implementing agencies, Ministry of Finance, Planning

³⁸ In the case of Nepal, the OSCRC will be co-chaired by the heads of the Department of National Parks and Wildlife Conservation and of the Department of Forests.

³⁹ Coordination among the policy and operational regional committees, the PMUs and GTI will be encouraged.

Commission, at least one conservation NGO and IDA (the latter as observer). Secretariat support will be provided by the National Trust for Nature Conservation (NTNC) in its capacity as the Project Coordination Unit (PCU). The NPSC will be responsible for meeting on a semi-annual basis, reviewing project implementation and providing oversight, policy guidance, and approving the annual work plan and budget.

69. Under the NPSC, a national Project Management Committee (PMC) would be created and chaired by the DGs of DNPWC and DOF who serve as National Project Directors. The PMC would: (i) make management decisions related to project implementation; (ii) submit annual programs and budgets to the NPSC for final approval; (iii) guide the PCU in coordinating approved activities; (iv) meet on a trimester basis to review implementation of activities and provide guidance/feedback to the PCU; (v) monitor and evaluate project progress and report to the NPSC at least every six months; and (vi) implement directions and guidance of the NPSC.

70. The PCU will be responsible for day-to-day coordination of the various components which will include the technical and fiduciary aspects. The PCU will be staffed largely by NTNC staff. NTNC was established in 1982 by a legislative act as an autonomous and not-for-profit organization with the mandate to work in the field of nature conservation in Nepal. For over two decades, NTNC has implemented over 200 small and large projects on nature conservation, biodiversity, cultural heritage protection, ecotourism and sustainable development. Under a working agreement with MOFSC, NTNC will provide the necessary staff and services to the PCU for effective project implementation.

B. Results Monitoring and Evaluation

71. Monitoring and evaluation (M&E) will be embedded in the various components of the project and technical assistance provided through the project will include support for M&E. The capacity of the implementing agencies (BFD in MOEF; DNPWC and DOF in Nepal's MOFSC) in M&E is weak. The PIU to be established in Bangladesh is new while the PCU in Nepal, i.e., NTNC, has some experience in managing projects but both need support in M&E. As South Asia's first regional operation, the project poses unique challenges in implementation and, in particular, M&E. Hence, it emphasizes strong technical support for M&E at both the country and regional levels and tries to achieve a balance among the outcomes, outputs and process indicators to track project progress. The PIU/PCU in each country will work closely with the respective M&E divisions of the responsible ministries and agencies. Detailed MIS systems will also be developed.

72. The PIU/PCUs in the participating countries would recruit an independent firm to carry out baseline surveys, especially of the biodiversity status, populations and habitats of flagship species, to establish baselines, where applicable, by the end of year one of implementation. Participation of government staff (rangers) in the baseline surveys would be encouraged in order to build local capacity for monitoring. Mid-term and end-of-project evaluations will be carried out by independent consultants subcontracted by the respective PIU/PCUs in the participating countries. The PIU/PCUs in each country will also carry out technical, environmental and social audits through independent consultants during project implementation. The respective PIU/PCUs will ensure that the following cross-cutting issues are embedded in the project

activities and are regularly monitored and reported: (i) women's participation and gender equity; (ii) compliance with the environmental and social safeguards; and (iii) good governance.

73. The PIU/PCUs will report on the results of the M&E activities in their quarterly (Bangladesh) or trimester (Nepal) progress reports to the national and regional steering committees and sponsoring Ministries as well as to IDA. VRCE will also prepare quarterly progress reports. Details of the results framework and monitoring are found in Annex 1.

C. Sustainability

74. Project sustainability will depend ultimately on the commitment and ownership of the participating countries to continue to tackle illegal wildlife trade through collaboration and regional harmonization, adopt landscape based conservation and adequately fund the project activities. At the project level, sustainability will depend on the technical and institutional capacity to maintain the initiatives after project completion. It is important to recognize that sustainability of the efforts under the project, particularly for enhanced regional collaboration, cannot be achieved through this single operation. It is likely to be a long-term process requiring continued engagement by conservation and development partners, including IDA.

75. Countries in Asia are committed to protecting endangered wildlife species and their habitats as evidenced by the legislation they have adopted, significant resources they have allocated to wildlife protection, agreements signed with CITES and the number of regional initiatives and partnerships – including the newly launched SAWEN – they have joined. IDA will maintain continuous dialogue on wildlife conservation with the participating governments and regular consultations with NGOs to help sustain the commitment. To address the funding risks after project completion, the project will pursue the following: (i) maintaining the dialogue with governments on future budget allocations to implementing agencies; (ii) enabling future partnerships with international NGOs and global initiatives by ensuring that they are part of the mandates of the implementing agencies; and (iii) exploring the possible use of ecotourism revenues to finance a portion of the conservation and enforcement costs.

76. To sustain the enhanced integrity mechanisms and regional harmonization, the project incorporates actions to mobilize internal and external integrity mechanisms (e.g., internal control mechanisms, citizens' oversight, and third party monitoring), and will monitor participating countries' adherence to their commitments under the relevant international treaties (e.g., CITES and other customs integrity initiatives). At the project level, the project includes extensive TA to help build capacity of the implementing agencies in project implementation and M&E. The project would support activities for strengthened governance within the ministries and other public project implementing institutions, and within SAWEN (when the body becomes operational). To the extent possible, the PIU/PCUs would be embedded in existing institutions with emphasis on mainstreaming practices and standards during implementation.

V. Key Risks and Mitigation Measures

77. The proposed project faces high risks during preparation and implementation. Potential risks are summarized in the Operational Risk Assessment Framework (Annex 4). The main risks are associated with the number of implementing agencies with weak capacity and the multiplicity of countries with historically low levels of collaboration, the need to mobilize strong integrity mechanisms – at the national and regional levels – to tackle illegal wildlife trade, and the risk of systemic corruption (i.e., bribery) in targeting the illicit trade. The risk of potential withdrawal of support from one of the participating governments (i.e., India) due to fervent opposition by key conservationist NGOs to IDA’s involvement in wildlife conservation in India is mitigated by the countries’ participation in SAWEN. The potential impact and likelihood of key risks to achieving results and the key mitigation measures during implementation are described below.

78. *Stakeholder risks.* Opposition by key conservationist NGOs to IDA’s involvement in wildlife conservation could lead to the withdrawal of support or commitment by any participating government. IDA could also be criticized for supporting ineffective or controversial enforcement mechanisms to tackle illegal wildlife trade. The engagement of TRAFFIC in the design of Component 1’s staff training and capacity building program should help assure global consensus. Dialogue with participating governments and conservation NGOs in Bangladesh and Nepal on wildlife conservation commenced during project preparation and will be continued. Regular consultations with affected communities will be pursued throughout the life of the project. The project includes a proactive communications plan that will be adjusted regularly during implementation to respond to the context in real time.

79. *Implementing agency risks.* Respective ministries and other implementing institutions lack adequate project management capacity and this could result in slow implementation. The number of implementing agencies could complicate effective coordination of the project activities, including efficient fund flows. Almost non-existent joint decision-making and collaboration across borders as well as within countries could slow down project progress. There is also a risk that the Regional Proposal Review Committee (that will be created to review innovative pilot projects for financing under Sub-component 2.2) and the regional governance structure may face coordination problems. Key mitigation measures include, among others: (i) creation of regional coordination structures at the policy and operational levels (see Section IV.A); (ii) country-based PIU/PCUs to receive significant TA, training and separate budgets for project implementation;⁴⁰ (iii) PIU/PCUs, lead implementing agencies and project steering committees to support and monitor overall coordination of project implementation; (iv) activities to facilitate creation of regional protocols and enforcement standards, development of best practice applications and sharing successful field schemes and knowledge/research across the region; (v) monitoring of participating countries’ adherence to their commitments under the relevant international treaties (e.g., CITES and customs integrity initiatives); and (vi) arrangements for continuous dialogue among the lead ministries and implementing agencies.

80. The project could face the risk of systemic corruption (i.e. bribery) in targeting illicit trade not only because of the lack of capacity in the enforcement agencies but also because of the potential for complicity. Such risk would be mitigated through: (i) knowledge sharing and joint adoption of standards and best practices; (ii) actions to mobilize internal and external integrity

⁴⁰ Based on the decision of the NPSC in Nepal.

mechanisms (e.g., internal control mechanisms, citizens' oversight, and third party monitoring); (iii) support to the monitoring and implementation of the Governance Accountability and Action Plan (GAAP) in the participating countries; (iv) proactive disclosure of important information on project activities and agency performance; and (v) promotion of a communications strategy to improve transparency and encourage demand for good governance.

81. *Project design risks.* The project's success depends on coherence and coordination regarding policies and project activities among the multiple agencies in each country and among countries. Currently, the requisite coordination is weak although a strong commitment among the implementing agencies and relevant institutions to collaborate was forged as officials from Bangladesh, Bhutan, India and Nepal met during the preparatory phase to focus and build synergy on the project's regional issues and to agree on mechanisms for collaboration. These countries also endorsed the St. Petersburg Declaration on Tiger Conservation which commits them, among other things, to "strengthening regional law enforcement through bilateral and multilateral arrangements and strengthened international cooperation, coordination, and collaboration." The mitigation measures include: (i) implementation of the project activities with regional scope and impact within the countries; (ii) flexible adaptation of the project design based on implementation experience; and (iii) coherence and coordination of the policies and project activities by the high level steering committees at the regional and country levels.

82. *Project delivery quality.* Implementing agencies may not have the commitment to sustain the activities of SAWEN after project completion and they may not maintain the M&E capacity built during implementation. Future funding to sustain the program and sustainability of enhanced integrity mechanisms and regional harmonization are not assured. The mitigation measures to address future funding have been described in Section IV.C above.

VI. Appraisal Summary

A. Economic Analysis

83. Illegal wildlife trade has led to the massive destruction of habitats and species, threatening irrevocable damage to ecosystems. Wildlife traffickers operate within and between countries through well-organized, cross-border networks. Unfortunately, data on illegal trade are sparse and anecdotal due to the clandestine nature of the industry. Hence, conducting a conventional cost-benefit analysis of the project payoffs is not possible.

84. Instead, the economic analysis draws on the literature regarding the economics of combating global crime and, in particular terrorism, through cooperative actions. In a seminal 2009 paper, Sandler et al argue that joint and cooperative actions are a public good, comparing the decision-making by countries to that of a "prisoner's dilemma". Annex 9 presents a comprehensive review of the economic aspects of cooperation in developing and implementing transnational policies for international rivers, forests and habitat management.

85. A country investing in defensive actions against terrorism within its borders derives benefits from those actions. On the one hand, the measures raise the costs to terrorists of

launching attacks and lower the anticipated benefits of such acts. On the other hand, defensive measures against transnational terrorism taken by one country results in a negative externality as terrorism is displaced to other countries, reflecting the “substitution effect” in economics.

86. The prisoner’s dilemma demonstrates that cooperative and offensive measures to weaken a transnational terrorist group would generate positive externalities to all countries at risk. However, the decision by any given country on how much to invest in anti-terrorist measures is based quite often solely on the benefits that accrue to that country. Such decision-making can lead to under-investment in cooperative measures. However, the under-investment can be corrected through organizations like INTERPOL that facilitate cooperation among countries. Sandler estimated that a dollar spent on INTERPOL counterterrorism generates a payback of US\$40-200. High benefit-cost ratios of INTERPOL operations reflect the benefits to all of INTERPOL members at risk to terrorism because INTERPOL makes it possible for its members to cooperate in carrying out proactive counterterrorism measures in a cost-effective manner.

87. Sandler’s analysis on defensive and pro-active cooperative measures is relevant to the proposed project’s goal of combating illegal wildlife trade.⁴¹ When one country succeeds in arresting poachers or eradicating illicit trade networks, it is likely that illegal acts are transferred to other countries with relatively weaker enforcement. Similarly, because of the externalities that arise from combating illegal trade, countries have an incentive to free-ride on the activities of its neighboring countries.

88. Unlike terrorism, successful enforcement that leads to the decline in the supply of illegal wildlife commodities raises the prices of such products and, in turn, increases the incentive to engage in illegal activities. Measures to tackle the demand for wildlife commodities – the root cause of the problem – are also imperative.

89. The quantitative analysis builds on Sandler’s methodology. As a starting point, it is recognized that South Asia accounts for 13-15% of the world’s biodiversity and it is estimated that the total value of the illegal wildlife trade is US\$20 billion. Thus, it is assumed that the value of the illegal wildlife trade in the region would range from US\$2.6 to US\$3 billion. These figures represent quite conservative estimates because South Asia is disproportionately affected by illegal wildlife trade due to the high demand for species like wild tigers and rhinos.

90. The economic analysis entailed two sets (each with over 100 simulations) under varying assumptions. See Annex 9 for details. Most of the simulations resulted in benefit-cost ratios of above 1, demonstrating that the benefits of the proposed project exceed the costs. Indeed, many of the benefit-cost results are 2 and higher, reaching values of above 40 in some cases. Still, the simulation results provide conservative, lower-bound estimates of the economic benefits of the project. If the analysis had included other benefits (such as those arising from nature-based tourism), the break-even point for the project would be reached much earlier and the benefit-cost ratios would be even higher. The analysis concludes that the benefits from addressing illegal wildlife trade under the project would far outweigh the investment costs.

⁴¹ T. Sandler, D. Arce, W. Enders, 2009, “An Evaluation of INTERPOL’s Cooperative-based Counterterrorism Linkages”, <http://peio.vweb10-test.gwdg.de/papers2010/Sandler,%20Arce,%20Enders%2027.12.09.pdf>

B. Technical

91. The project would allow the participating countries to mitigate the burgeoning threat to South Asia's biodiversity from poaching and illegal wildlife trade. The design of the project objective, components and activities benefited from the contributions by the respective governments, a cross-sectoral IDA team and TRAFFIC as well as the experiences of GTI in its discussions with the tiger range countries and conservation NGOs. From a strategic standpoint, structuring the project around the themes of capacity building, promotion of regional wildlife conservation and project coordination and communications is congruent with the approach of a horizontal APL based on country readiness to participate. Flexibility is an important feature of the project as the Borrowers/Recipients develop practical approaches to wildlife protection that are appropriate to national and local conditions and needs and that lead to a significant regional impact. Flexibility is inherent as the countries would create or enhance knowledge tools and innovative methods (e.g., forensic laboratories and analysis) to inform policymakers, pilot global best practices, or develop harmonized and internationally tested protocols for Asia on a demand-driven basis.

92. The main challenges would be the inadequacy of coordination mechanisms, communication infrastructure as well as administrative and technical administrations that would interact across ministries and implementing agencies in the individual countries as well as across borders. While these challenges are significant, awaiting a solution prior to the project launch would result in a protracted vacuum in combating illegal wildlife trade and mitigating biodiversity loss. Through the project, the implementing agencies will be able to build and strengthen their financial, administrative and technical functions, upgrade infrastructure and equipment, enhance enforcement and regulatory framework, and also promote collaboration with civil society and communities, especially those living along the habitats and frontiers. With emphasis on building skills and training in areas for which market demand exists, the project could help the local communities fulfill their aspirations for improved economic opportunities in ways that are compatible with community-driven development projects. All in all, the culture of conservancy created within the local communities and cross-border collaboration would lead to lasting benefits of sustainable enforcement, diminished vulnerability to criminal activities, resilient wildlife and healthy ecosystems.

C. Financial Management

93. Financial management (FM) assessments were carried out for Bangladesh and Nepal, in accordance with the Financial Management Manual for IDA-financed investment operations issued by the Financial Management Sector Board on March 1, 2010. The objective of the assessments was to determine whether the implementing agencies (BFD in Bangladesh and NTNC in Nepal) have acceptable financial management arrangements as evidenced by: (i) use of funds in an efficient and economical way for the purposes intended; (ii) preparation of accurate, reliable and timely periodic financial reports; and (iii) safeguard of project assets.

94. Based on IDA's assessment, actions to establish FM capacity have been agreed with both BFD and NTNC. The assessments concluded that, with the implementation of the respective actions by the agencies, the proposed FM arrangements will satisfy IDA's minimum requirement

under OP/BP 10.02. Taking into account the proposed risk mitigation measures, the overall FM risk vis-à-vis BFD is assessed as “high” before mitigation and “substantial” after implementation of mitigation measures. For NTNC, the overall FM risk is assessed as “modest” before mitigation and “low” following implementation of mitigation measures. (See Annex 3.)

D. Procurement

95. IDA carried out assessments of procurement arrangements and capacity for the implementation/coordination units in BFD and NTNC. The assessments concluded that procurement capacity in both agencies is weak. Mitigation/improvement measures for the efficient procurement management of the project were agreed with BFD and NTNC and are documented in Annex 3. Procurement for the proposed project would be carried out in accordance with the World Bank/IDA Procurement Guidelines and Consultant Guidelines dated January 2011 for Bangladesh and the Guidelines of May 2004 (revised October 2006 and May 2010) for Nepal as well as the provisions in the Financing Agreements.

E. Social

96. The Governments of Bangladesh and Nepal prepared country-specific Environmental and Social Management Frameworks (ESMFs) in lieu of project-specific social impact assessments (SIAs) since details of specific sub-project activities and interventions that may have social impacts are not yet available. The ESMFs include an assessment of generic issues that may arise during implementation, including measures for social risk mitigation and institutional arrangements for conducting SIAs, implementation and monitoring. All activities financed under the project in general, and the pilot projects in Sub-component 2.2 in particular, will require specific SIAs and social mitigation measures. The project will not fund any activity without a completed SIA. The ESMFs will serve as guidance on the level of social analysis and mitigation required for all interventions that may trigger negative social impacts.

97. While no land acquisition or resettlement in Bangladesh or Nepal would be carried out under the project, communities who traditionally rely on the PAs for their livelihoods may be affected. Therefore, community consultations are an integral part of sub-project preparation and implementation under Sub-component 2.2 and will be an ongoing feature in the project. Since indigenous peoples (IPs) are known to reside around virtually all PAs in Nepal, a framework for the preparation of an Indigenous Peoples Development Plan (IPDP) was prepared as an annex to Nepal’s ESMF. This will serve as a template for the preparation of an IPDP in areas where project activities may impact the indigenous communities. Thus, OP/BP 4.12: Involuntary Resettlement and OP/BP 4.10: Indigenous Peoples will be triggered.

F. Environment

98. With support for the conservation and management of critical terrestrial, marine and wetland ecosystems and the protection of their wildlife and habitats as its centerpiece, the project is expected to produce positive environmental impacts in the long term. For safeguard purposes, it has been classified as “Category B” since it is anticipated that some activities would involve minor civil works in areas of high ecological sensitivity and vulnerability; hence, certain short

term negative environmental impacts may occur during the implementation phase. These negative impacts are expected to be largely on-site and easily mitigated with proper planning and sound environmental practices. The project will not support the construction of any major new infrastructure within the PA network. Considering the sensitive nature of protected areas, forest reserves or reserve forests and national forests, the following environmental safeguard policies are triggered: OP/BP 4.01 Environmental Assessment; OP/BP 4.04 Natural Habitats; and OP/BP 4.36 Forests.

99. As details of specific sub-project activities and interventions that may have environmental impacts are not yet available, the Governments of Bangladesh and Nepal undertook the preparation of country-specific Environmental and Social Management Frameworks (ESMFs) in lieu of project-specific Environmental Assessments (EAs). The ESMFs primarily include: (i) an assessment of generic issues typically associated with the proposed interventions; (ii) measures for environmental risk mitigation; and (iii) institutional arrangements for conducting EAs as well as Environmental Management Plan (EMP) preparation, implementation and monitoring. The ESMFs will serve as templates to guide the environmental analysis required for all interventions that could trigger negative environmental impacts. The ESMFs will ensure the project's compliance with the relevant national laws of Bangladesh and Nepal and IDA's safeguard policies. The ESMFs are available in the project files and were disclosed publicly in both countries on November 8, 2010.

100. The country-specific financing agreements would include a specific provision that IDA financing of the project – and specifically, the pilot projects under Sub-component 2.2 – may not and will not involve any involuntary resettlement or land acquisition. Only works with no irreversible safeguard implications will be carried out. The project will not support the construction of new major infrastructure in the PA networks. A screening mechanism and a negative list of investments are being considered or developed. Additionally, in accordance with World Bank policy, the financing agreements would state explicitly that expenditures on weapons or training of law enforcement personnel may not be procured under the project.

Annex 1: Results Framework and Monitoring

BANGLADESH AND NEPAL: First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

Project Development Objective (PDO): To assist the participating governments to build or enhance shared capacity, institutions, knowledge and incentives to collaborate in tackling illegal wildlife trade and other selected regional conservation threats to habitats in border areas.												
PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2	YR3	YR 4	YR5				
Indicator One: Progress towards the development of sustainable regional mechanisms for addressing illegal wildlife trade and other conservation threats.	<input type="checkbox"/>	Regional coordination forum	No regional mechanism is in place for addressing illegal wildlife trade and other conservation threats at present, but there is agreement among regional countries to establish the South Asia Wildlife Enforcement Network (SAWEN) with similar objectives.	Establishment of a regional project coordination mechanism between Tiger Range Countries (TRCs) as an interim measure, while monitoring the progress of the establishment of SAWEN.	At least two regional coordination meetings among the TRCs held.	If SAWEN is operational, a plan developed to integrate the regional coordination undertaken through the project into the broader SAWEN mandate.	If SAWEN is not operational, a regional coordination forum agreeable to the TRCs is developed.	Establishment of the regional coordination forum agreed to in Year 4 by the TRCs.	Annually	M&E Report	Implementing agencies of participating countries and regional coordination committee	Demonstrate value of a coordinated approach to addressing illegal wildlife trade and other conservation threats
Indicator Two: Development of at least one protocol each on a common research agenda, knowledge	<input type="checkbox"/>	No. of protocols	No protocols in the areas identified at present.	Agreement in principle between participating countries that at least one protocol is	Protocol on knowledge sharing developed.	Protocol on a common research agenda developed.	Protocol on collaboration and division of labor developed.	Implementation of protocols commenced.	Annually	M&E Report	Implementing agencies of participating countries and regional coordination committee	Demonstrate regional cooperation in research, knowledge sharing and collaboration

sharing, collaboration and division of labor.				needed on: (i) a common research agenda; (ii) knowledge sharing; and (iii) collaboration and division of labor.								
Indicator Three: Agreement among the enforcement agencies on at least two regional protocols, including approaches and solutions.	<input type="checkbox"/>	No. of protocols	No regional protocols in place at present.	Dialogue among regional enforcement agencies on the need for regional protocols commenced.	Agreement reached on at least two regional protocols and approaches and solutions finalized for implementation of protocols with enforcement agencies of regional countries.	Formal agreement reached between countries to implement the regional protocols developed.	Implementation of agreed protocols commenced.	Implementation effectiveness of regional protocols renewed and revisions made as necessary.	Annually	M&E Report	Implementing agencies of the participating countries.	Assess the effectiveness of regional protocols.
Indicator Four: Implementation of at least three regional pilots or initiatives in wildlife enforcement and conservation	<input type="checkbox"/>	No. of pilot projects or initiatives	No such regional pilots or initiatives in place.	Consultations on and planning of pilot projects and initiatives undertaken.	Suitable sites, design of pilot projects and/or initiatives selected.	Implementation of at least one pilot program or initiative is underway.	Implementation of balance pilots and initiatives is underway.	Progress of regional pilots and initiatives reviewed.	Annually	M&E Report	Collaborated efforts among implementing agencies	Assess the effectiveness of coordinated approaches to regional enforcement and conservation .
INTERMEDIATE RESULTS												
Regional												
Intermediate Result:												
<i>Intermediate Result indicator One:</i> Development of a common	<input type="checkbox"/>	Outputs	Common research and conservation program is absent.	National consultations to identify common research and	Regional consultations to agree on common research and	Implementation of program is underway.	-	-	Annually	M&E Report	Implementing agencies of the participating countries	Build synergy between research institutions

conservation research program for regional wildlife management with particular emphasis on tiger conservation				conservation needs undertaken.	conservation needs and finalizing of program undertaken.							and conservation groups to provide scientific basis for conservation and management of wildlife
<i>Intermediate Result indicator Two:</i> Set up a knowledge sharing mechanism among participating countries	<input type="checkbox"/>	Outputs	Regional knowledge sharing mechanism is absent.	Regional consultations to agree on developing a knowledge sharing mechanism undertaken.	Knowledge sharing mechanism developed.	Implementa- tion of knowledge sharing mechanism is underway.	-	-	Annually	M&E Report	Implementing agencies of the participating countries	Build synergies among research institutions and conservation groups to share knowledge useful for wildlife protection
Bangladesh												
Intermediate Result (Component One): Capacity built for wildlife conservation and cooperation for addressing the trans-boundary illegal wildlife trade in Bangladesh												
<i>Intermediate Result indicator One:</i> New draft Wildlife Conservation Act giving more powers to the Wildlife Circle approved by Parliament	<input type="checkbox"/>	Outputs	Wildlife Circle does not have legal powers to address wildlife trade.	Draft Act submitted to Cabinet.	Submission to Parliament.	-	-	-	Annually	M&E Report	MOEF	Verify level of commitment by GOB to address issues related to illegal wildlife trade
<i>Intermediate Result indicator Two:</i> Specialized human resources in the Wildlife Circle in place with capacity to	<input type="checkbox"/>	Outputs	Inadequate capacity to respond to wildlife crimes.	Identification and recruitment of key positions	Process of obtaining Government approval for absorption into regular cadre commenced.	-	-	Key staff absorbed in the Wildlife Circle.	Annually	M&E Report	MOEF	Assess capacity to sustain measures put in place to respond to wildlife crimes

respond to wildlife crimes												
<i>Intermediate Result indicator Three:</i> Establishment and operationalizing of Wildlife Crime Control Unit (WCCU) with at least forensic section, legal support arm and wildlife crime bank	<input type="checkbox"/>	Outputs	No wildlife crime controlling agency at present.	Plan developed for establishment of WCCU including staffing needs assessment.	Staffing of WCCU, especially in two key sections and for managing the crime bank; creation of the wildlife crime bank.	Operation of forensic and legal units started.	Wildlife crime bank fully operational.	WCCU fully operational.	Annually	M&E Report	MOEF	Demonstrate need for dedicated crime control unit for controlling illegal wildlife trade
<i>Intermediate Result indicator Four:</i> Establishment and operationalizing of Wildlife Center with capacity to facilitate research, education, awareness, communication and M&E	<input type="checkbox"/>	Outputs	No institution present for research, training, etc.	Construction of Wildlife Center and recruitment process of staff are underway.	Completion of 10% of construction; Initiation of training the trainers program; Strategy and activities for Wildlife Center developed.	raising of Wildlife Center staff and stakeholder agency staff	At least 25% of medium-term activities in the Wildlife Center plan completed.	At least 50% of medium-term activities in the Wildlife Center plan completed.	Annually	M&E Report	MOEF	Assess effectiveness of Wildlife Center strategy and action plan and make appropriate changes to program to respond to stakeholder needs
Intermediate Result (Component Two): Wildlife conservation in South Asia promoted for improved management of PAs and effective wildlife protection												
<i>Intermediate Result indicator One:</i> Identification of core breeding habitats of flagship species and promoting inviolate areas	<input type="checkbox"/>	Nos.	No identification or assignment of inviolate areas.	Studies to identify core breeding habitats of flagship species are underway.	-	Core breeding habitats of flagship species identified.	Process initiated for declaring core breeding habitats of flagship species as inviolate areas.	Process completed for declaring core breeding habitats of flagship species as inviolate areas.	Annually	M&E Report	Wildlife Circle, Wildlife Center and MOEF	Verify level of commitment by stakeholders to promote conservation of wildlife

<i>Intermediate Result indicator Two:</i> Management of wildlife corridors and buffer zones according to principles of smart green infrastructure and practices to ensure socio-economic activities are biodiversity-friendly	<input type="checkbox"/>	Nos. and area	No practices are in place.	Priority wildlife corridors and buffer zones in project areas identified.	Development of guidelines for smart green infrastructure and biodiversity friendly socio-economic activity for implementation in wildlife corridors and buffer zones.	Pilot program to implement the developed guidelines in one selected conservation landscape is underway.	Expansion of pilot program to 25% of the identified landscapes.	Process of regularizing the guidelines initiated.	Annually	M&E Report	Wildlife Circle, Wildlife Center and MOEF	Assess level of biodiversity-friendly development taking place. Assess their usefulness and practicality and make appropriate changes where necessary
<i>Intermediate Result indicator Three:</i> Development of models based on research information for tiger and elephant conservation to reduce conflict with humans	<input type="checkbox"/>	Outputs	No models are in place.	Development of models	Testing of models	Testing of models	Testing of models	-	Annually	M&E Report	Wildlife Circle, Wildlife Center and MOEF	Demonstrate need for research information to develop successful models and the benefits of wildlife human coexistence
<i>Intermediate Result indicator Four:</i> Identification of suitable models, and development of replication strategy and master plan for mitigating THC and HEC	<input type="checkbox"/>	Outputs	No models have been tested.	-	-	-	Identification of suitable models.	Replication strategy and master plan developed.	Annually	M&E Report	Wildlife Circle, Wildlife Center and MOEF	Assess successful models, their replicability; document evidence based on best practices and lessons learned and plan for strategy and action plan
<i>Intermediate Result indicator Five:</i>	<input type="checkbox"/>	Outputs %	Ecotourism planning is absent.	Identification of potential sites for	Implementation of plan is underway.	-	10% increase	20% increase	Annually	M&E Report	Wildlife Circle, Wildlife Center and MOEF	Assess change in revenue data

Development and implementation of ecotourism plans to enhance the revenue earning opportunities of PAs and affected communities by 20%			(2010 revenue data and household income)	ecotourism development; assessment of households interested in participating in ecotourism; development of ecotourism plan								of participating PAs and of household-level incomes of participating communities
Intermediate Result (Component Three): Effective project coordination mechanism in place												
<i>Intermediate Result indicator One:</i> Establishment of Regional Policy Steering Committee (RPSC) and of Operational Steering Committee for Regional Coordination (OSCRC) and made operational	<input type="checkbox"/>	Outputs	Regional efforts are absent.	Establishment of RPSC.	Fully operational.	-	-	-	Annually	M&E Report	MOEF	Verify level of commitment by stakeholders to contribute towards regional conservation of wildlife
<i>Intermediate Result indicator Two:</i> Development and implementation of project communication plan	<input type="checkbox"/>	Outputs	No communication plans exist. Plan is envisaged to be ready before effectiveness.	Operationalization of plan is underway.	-	-	-	-	Annually	M&E Report	MOEF	Achieve close communications and collaboration among implementing agencies and to reach wider group of stakeholders
Nepal												
Intermediate Result (Component One): Capacity built for wildlife conservation and cooperation for addressing the trans-boundary illegal wildlife trade in Nepal												
<i>Intermediate Result indicator One:</i> Review of key	<input type="checkbox"/>	Outputs	National Parks and Wildlife Conservation	Review process is underway.	Review process is completed.	Government concurrence for proposed changes	Updated policies and regulations fully	-	Annually	M&E Report	DONPWC and DOF	Verify level of commitment by GON to

policy and legislation to identify and rectify their implementation challenges			Act, Forest Act and Forest Rules			attained.	operational.					address issues related to illegal wildlife trade
<i>Intermediate Result indicator Two:</i> Establishment and operationalizing of Wildlife Crime Control Bureau (WCCB) with at least forensic section, legal support arm, wildlife crime units and wildlife crime bank	<input type="checkbox"/>	Outputs	No wildlife crime controlling agency exists currently.	Plan for establishment of WCCB including staffing needs assessment is developed.	Staffing of WCCB especially for two key sections and of wildlife crime units in Customs Department and for managing the crime bank; creation of the wildlife crime bank.	Operations of forensic, legal and crime units started.	Wildlife crime bank fully operational.	WCCB fully operational.	Annually	M&E Report	DONPWC and DOF and CD	Demonstrate need for dedicated crime control unit for controlling illegal wildlife trade
<i>Intermediate Result indicator Three:</i> Establishment of legislation for effective compliance of CITES and set up of national CITES secretariat	<input type="checkbox"/>	Outputs	Signatory to CITES, but country lacks supportive legislation to ensure compliance.	-	Establishment of national CITES secretariat with adequate staffing.	Legislation developed.	-	Legislation completed.	Annually	M&E Report	DONPWC and DOF and WCCB	Demonstrate level of commitment by GON to comply with CITES obligations
<i>Intermediate Result indicator Four:</i> Effective training programs conducted to increase capacity of staff on wildlife conservation and management and respond to illegal wildlife trade	<input type="checkbox"/>	%	Assessment of capacity of DNPWC and DOF staff to be conducted during year 1.			25% greater satisfactory capacity assessment against baseline based on a survey.		50 % greater satisfactory capacity assessment against baseline based on a survey.	Annually	M&E Report	DONPWC and DOF	Provision of incentives and opportunities for committed staff to take over greater responsibilities

Intermediate Result (Component Two): Wildlife conservation in South Asia promoted for improved management of PAs and effective wildlife protection												
Intermediate Result indicator One: Interventions put in place to improve protection and conservation of key flagship species	<input type="checkbox"/>	Nos.	Current interventions are not targeted at conservation of flagship species.	Proposals prepared for funding should make explicit links to conservation of flagship species and show regional conservation benefits.	Proposals prepared for funding should make explicit links to conservation of flagship species and show regional conservation benefits.	Proposals prepared for funding should make explicit links to conservation of flagship species and show regional conservation benefits.	Outcome assessments are linked to regional conservation benefits.	Outcome assessments are linked to regional conservation benefits.	Annually	M&E Report	DONPWC and DOF	Verify level of commitment by stakeholders to promote conservation of wildlife
Intermediate Result indicator Two: Models developed for management of wildlife corridors and buffer zones according to principles of Smart Green Infrastructure and practices to ensure socio-economic activities are biodiversity-friendly	<input type="checkbox"/>	Nos. and area	No such practices are in place.	Priority wildlife corridors and buffer zones in project areas identified.	Guidelines developed for smart green infrastructure and biodiversity friendly socio-economic activity for implementation in wildlife corridors and buffer zones.	Pilot program developed to implement the guidelines in one selected conservation landscape.	Implementation of pilot program is underway.	Process of institutionalizing smart green infrastructure guidelines in buffer zone development initiated.	Annually	M&E Report	DONPWC and DOF	Assess impact on public perception and development planners on biodiversity-friendly development guidelines prepared and implemented in the pilots. Assess the level of interest and commitment of development planners and relevant authorities to “buy in” to the proposed planning guidelines
Intermediate Result indicator	<input type="checkbox"/>	Outputs	No models are in place.	Development of models.	Testing of models.	Testing of models.	Testing of models.	-	Annually	M&E Report	DONPWC and DOF	Demonstrate need for

<i>Three:</i> Development of models based on research information for tiger, rhino and elephant conservation to reduce conflict with humans thereby ensuring long term conservation of the these species												research information to develop successful models and benefits of wildlife human coexistence
<i>Intermediate Result indicator Four:</i> Identification of suitable models, and development of replication strategy and master plan for mitigating tiger human conflict, human elephant conflict and the rhino human conflict	<input type="checkbox"/>	Outputs	No models have been tested.	-	-	-	Identification of suitable models.	Replication strategy and master plan developed.	Annually	M&E Report	DONPWC and DOF	Assess successful models, their replicability; document evidence based on best practices and lessons learned and plan for strategy and action plan
<i>Intermediate Result indicator Five:</i> Development and implementation of ecotourism plans to enhance the revenue earning opportunities of PAs and affected communities by 20%	<input type="checkbox"/>	Outputs %	Ecotourism planning is absent. (2010 revenue data and household income)	Identification of potential sites for ecotourism development; assessment of households interested in participating in ecotourism; development of ecotourism plans.	Implementa- tion is underway.	-	10% increase	20% increase	Annually	M&E Report	DONPWC and DOF	Assess change in revenue data of participating PAs and of household-level incomes of participating communities
Intermediate Result (Component Three): Effective project coordination mechanism in place												
<i>Intermediate</i>	<input type="checkbox"/>	Outputs	Regional	Establishment	RPSC and	-	-	-	Annually	M&E Report	DONPWC and	Verify level

<i>Result indicator</i> <i>One:</i> Establishment of Regional Policy Steering Committee (RPSC) and Operational Steering Committee for Regional Coordination (OSCRC) and made operational			efforts are absent	of RPSC and OSCRC.	OSCRC are fully operational.						DOF	of commitment by stakeholders to contribute towards regional conservation of wildlife
---	--	--	-----------------------	-----------------------	------------------------------------	--	--	--	--	--	-----	---

*Please indicate whether the indicator is a Core Sector Indicator (see further <http://coreindicators>)

**Target values should be entered for the years data will be available, not necessarily annually.

Annex 2: Detailed Project Description

BANGLADESH AND NEPAL: First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

A. Landscape approach for regional cooperation in wildlife conservation and protection

1. The project applies a two-pronged approach: (i) capacity building to address the illegal wildlife trade through regional cooperation; and (ii) habitat protection and management to generate regional conservation benefits and address the human-wildlife conflict, thereby ensuring the conservation of flagship species such as the tiger, rhinoceros, snow leopard and elephant in increasingly fragmented habitats. The interventions would enhance the capacity of the relevant agencies in the participating countries to carry out conservation based on a landscape approach and also to address wildlife trafficking. The landscape approach would lead to improved management of the national PA networks⁴² – that are essential to the long-term conservation of the tiger and other flagship species – and would control against the adverse impacts of the illegal trade. Although the ecological and behavioral traits of such species require vast habitats for effective, long-term conservation, many of them – including the tiger, rhinoceros, snow leopard and elephant – are confined to small, isolated and fragmented PAs with uncertain long-term viability.⁴³ Population and development pressures are the main causes of PA fragmentation and isolation that threaten the survival of flagship species. Therefore, it is critical that such species are managed not only in the designated PAs within the participating countries but also along the wildlife corridors in order to ensure connectivity between PAs and contiguous ecosystems that transcend national borders. Conservation of South Asia's flagship species would yield broader benefits in the form of improved natural habitats for all species within the PAs and corridors and, ultimately, healthy ecosystems for the entire region.

2. The implementation of specific project components or sub-components under the mentioned two-pronged approach would be carried out in a sequential manner. Specifically, the institutional building activities that comprise Components 1 and 3 as well as Sub-component 2.1 would be implemented soon after project effectiveness. Specifically, those activities would build capacity and strengthen institutions to combat illegal wildlife trade and crime, improve staff skills for better management of protected areas and forest reserves or reserve forests⁴⁴, develop and sustain knowledge sharing and partnerships across agencies and institutions in South Asia and enable them to act with common standards and communicate a shared message on the regional threats to wildlife conservation. As progress with institution building is proceeding, those activities would be followed and supported by investments in PAs and other wildlife habitats under Sub-component 2.2 that would lead to improved management of connected

⁴² National protected area (PA) networks consist of national parks and forests as well as forest reserves (FRs) or reserve forests (RFs).

⁴³ Eric Wikramanayake, Anil Manandhar, Shyam Bajimaya, Santosh Nepal, Gokarna Thapa and Kanchana Thapa, 2009, "The Tarai Arc Landscape: A Tiger Conservation Success Story in a Human Dominated Landscape", *Tigers of the World*, Second Edition, Elsevier Inc.

⁴⁴ Forest reserve (FR) and reserve forest (RF) are used interchangeably throughout this document.

habitats. Those investments would address the human-wildlife conflict through engagement with the local communities and civil society, thereby fostering an enduring culture of wildlife stewardship and protection. Implementation of Sub-component 2.2 may commence approximately one year after effectiveness.

B. Project components

3. The IDA-financed program for Bangladesh would amount to US\$36 million while that for Nepal is US\$3 million. The project would have three main components and they are described in detail below. Where applicable, the sub-component descriptions would distinguish the details of the program for each country. That is, activities that would be implemented in one country under a specific sub-component may be distinct from those carried out in the other.

Component 1: Capacity building for addressing the illegal trans-boundary wildlife trade (Total US\$9.8 million, including contingencies, of which: Bangladesh US\$8.8 million and Nepal US\$1.0 million)⁴⁵

4. The Government of Bangladesh (GOB) has accorded high priority to biodiversity conservation. To that end, the Ministry of Environment and Forest (MOEF) received Cabinet approval to revise the Wildlife Conservation Act that grants more powers to the Wildlife Circle (WC) and creates a better enabling environment for wildlife management in Bangladesh. The legislation is being prepared currently for submission to Parliament. In anticipation of the legislation, the Bangladesh Forests Department (BFD) proposed institutional reforms for WC to enable it to better discharge its duties under the new Act. However, BFD is unable to deliver on its new mandate unless WC's capacity is enhanced significantly.

5. For Nepal, Component 1 would address the capacity constraints of the Department of National Parks and Wildlife Conservation (DNPWC) and Department of Forests (DOF) by improving their ability to conserve wildlife and to collaborate with neighboring countries in addressing trans-boundary illegal wildlife trade. With strengthened institutional capacity that includes wildlife crime control, among others, and enhanced opportunities for conservation, protection and management of the PA network, the project's PDO can be achieved.

6. TRAFFIC International based in Cambridge, United Kingdom and TRAFFIC South Asia contributed substantially to the design of Component 1. Established in 1976, TRAFFIC is a research-driven and action-oriented global network aimed at delivering innovative and practical conservation solutions based on the latest information. Among its many roles, TRAFFIC organizes and assists training and other capacity-building initiatives for officials involved in the regulation of wildlife trade. It provides technical advice and often mediates or facilitates multi-sector and inter-governmental consideration of solutions to trade-related conservation challenges.

Sub-component 1.1 Institutional strengthening in wildlife conservation and illegal wildlife trade control (Total US\$5.5 million, including contingencies, of which: Bangladesh US\$4.7 million and Nepal US\$0.8 million)

⁴⁵ The cost figures shown in this section reflect IDA financing and government contribution (Bangladesh only).

(i) *Bangladesh Wildlife Circle (WC)*

7. WC's role within BFD would be enhanced significantly with the appointment of a Deputy Chief Conservator of Forests (DCCF) responsible for wildlife conservation. The DCCF would oversee three units: (i) PA Management Unit consisting of four existing divisions split on a geographic basis and responsible for conservation and management of the PA network; (ii) Wildlife Center to be established to undertake training, research, education and awareness, information communication technology, applications and monitoring and evaluation (M&E); and (iii) Wildlife Crime Control Unit (WCCU) to be created with responsibility for carrying out forensics, quarantine, legal support and assisting Bangladesh in discharging its responsibilities as a signatory to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The project would support the upgrading and strengthening of all three units.

8. The project would support TA provided by technical and management consultants to enable WC to implement the new Wildlife Conservation Act. The consultants would examine the institutional needs, roles and responsibilities, staffing and training needs and provide recommendations on how WC could better discharge its mandate under the new Act. Since the existing PA management divisions are short staffed and unable to effectively discharge their duties, especially their responsibilities under the proposed Act, MOEF will formally request for an incremental staff increase in 2011 from GOB. The approval process for cadre enhancement is time consuming and bureaucratic and could take 2-3 years. Meanwhile, the project would fund critical staff positions for which approval for cadre enhancement has been sought with agreement reached by GOB on absorbing those staff members into the regular FD cadre prior to project closure. The operational costs associated with the incremental staff for the Wildlife Circle would be borne entirely by the project. It has been agreed with the counterparts that, at the end of the project period, GOB's budget will cover these costs.

9. The project would support the establishment of the Wildlife Crime Control Unit (WCCU) within WC by providing TA to identify staffing and equipment needs, roles and responsibilities as well to prepare terms of reference (TOR) for WCCU staff. WCCU would be responsible for:

- (a) collection and collating intelligence related to organized wildlife crime activities and dissemination of such information to relevant agencies nationally and regionally to facilitate enforcement and apprehension
- (b) establishment of a wildlife crime bank with a database of wildlife crime related information
- (c) coordination of operations of various officers, national agencies, and other authorities in the enforcement of wildlife crime laws within the country or through regional cooperation
- (d) ensuring implementation of obligations under various international conventions and protocols related to wildlife crime that are in force at present
- (e) development of new protocols in areas of interest either nationally or in collaboration with regional wildlife crime control units

- (f) assistance to concerned authorities in regional countries and concerned international organizations to coordinate action to facilitate coordination and universal action in wildlife crime control
- (g) development of infrastructure and capacity for scientific investigation into wildlife crimes to facilitate prosecution
- (h) creation of a forensics section to carry out identification and confirmation of wildlife body parts as well as of a basic forensics laboratory
- (i) establishing a legal support arm to investigate crimes, prepare for and take legal actions with regard to illegal wildlife trade and crime
- (j) collaboration with the customs department in the issuance of export/import permits

10. Insofar as forensics is concerned, it may not be practical or sustainable for each participating country to develop a sophisticated forensics laboratory. The project could support an alternative: a regional forensics laboratory for conducting complex analysis in parallel with country-based basic laboratories.

11. GOB is a signatory to CITES. While the basic mechanism is in place for compliance with CITES, considerable support is needed in terms of financing staff and TA for Bangladesh to be fully compliant with CITES. The project would support the development of analytical and operational protocols toward meeting CITES requirements.

(ii) *Nepal's regulatory framework and Wildlife Crime Control Bureau (WCCB)*

12. Nepal has a long history of wildlife conservation having enacted various policies, legislation and regulations to enable conservation and management of wildlife. However, weak institutional capacity and inadequate financial resources have resulted in lapses in enforcement of regulations and poor management of PAs. A 2006 assessment of the country's policy, legislative and regulatory framework identified critical gaps that thwart Nepal's effectiveness in conservation, protection and management of wildlife.⁴⁶ Since Nepal has porous boundaries with neighboring countries, an enhanced framework would facilitate regional cooperation in wildlife management and control of illegal trade. This sub-component would support a critical review and revision of Nepal's legislative framework and strengthen the capacity of institutions responsible for wildlife management and illegal wildlife trade control.

13. The Government of Nepal (GON) would establish the Wildlife Crime Control Bureau (WCCB). The project would support the creation of WCCB and assist the bureau in acquiring the specialization and developing the expertise to tackle national and cross-border wildlife crime. WCCB's functions would be identical to those of Bangladesh's WCCU listed above. Unlike WCCU, hiring of new staff is not envisaged for Nepal's WCCB. Staff from existing public agencies will be assigned to WCCB.

14. Nepal is also a signatory to CITES but lacks local laws and regulations to ensure effective compliance of its obligations under CITES. The project would support: (a) preparation of appropriate legislation; (b) establishment of a National CITES Secretariat under WCCB which

⁴⁶ Winrock International, 2006, *Environmental Policy and Institutional Assessment*.

will be responsible for ensuring Nepal's compliance with CITES responsibilities; and (c) development of analytical protocols, operational protocols and meeting CITES requirements.

15. In addition, TA, operational support and training would be provided for field-level rapid response cells responsible for controlling wildlife crime, carrying out anti-poaching operations and developing intelligence networks among officials, guards and communities. Effective communication is critical to undertaking the mentioned operations and the project would support information gathering and dissemination as well as intra- and inter-country sharing of crime data and information that would enable quick action on the ground. The project may support the establishment of secure real-time/live online interface for sharing crime data and information.

16. In view of the high priority conferred by GON to the control of illegal wildlife trade, with a particular focus on control of poaching of tigers and trade in tiger parts, a high level National Tiger Conservation Committee was established recently. It is chaired by the Prime Minister, with the Minister of MOFSC serving as Member Secretary. The project would support the establishment of a Secretariat for the National Tiger Conservation Committee within MOFSC. The Secretariat would be responsible for the preparation of policy papers, notes on issues regarding tiger conservation and illegal trade control and other relevant matters for deliberation of the Committee.

Sub-component 1.2 Staff capacity building and training toward regional collaboration (Total US\$4.3 million, including contingencies, of which: Bangladesh US\$4.0 million and Nepal US\$0.3 million)

17. With the absence of collaborative wildlife conservation and management among the countries in the region, a paradigm shift is needed to encourage regional collaboration. This sub-component would support staff training and re-orientation. Interaction with regional agencies responsible for wildlife conservation and control of illegal wildlife trade will be an important aspect of the re-orientation. Knowledge exchange tailored towards regional cooperation in PA management and illegal wildlife trade control would pave the way for cooperation among the countries participating in the project such that their collaboration would be consolidated with the future formalization of SAWEN.

18. As mentioned above, the development of training, education and awareness programs for the public stakeholder agencies in Bangladesh and Nepal have benefited from recommendations provided by TRAFFIC (See Annex 8). Soon after project launch, more detailed assessments of the existing capacity in wildlife law enforcement and identification of the gaps in capacity and knowledge would be conducted. The results of those assessments would inform the structure of the capacity building program and highlight new ways to improve the ability of WCCU and WCCB to combat illegal wildlife trade and strengthen conservation. These may include the establishment of a focal point within each agency, setting up of national multi-agency task forces or conducting cross-country, multiple agency training which would encourage intra-agency cooperation. While the detailed assessments for specialized capacity building needs would proceed on an ongoing basis, the provision of basic training for the relevant agencies would commence at the time the project is launched.

(i) Bangladesh

19. BFD would create a unit within WC that would have a mandate for training, education and awareness, facilitating research in wildlife conservation and management, M&E and information communications technology (ICT) applications. The unit would be known as the Wildlife Center. Capacity will be built within the Center to conduct training, education and awareness programs relevant to wildlife conservation, PA management, development of nature based or ecotourism tourism, control of illegal wildlife trade and addressing the human-wildlife conflict through a “training of trainers”. Eventually, the Center would assume long-term training and awareness raising for other units within WC as well as other relevant public institutions and key stakeholders. The Center would be located at the Gazipur site where GOB intends to establish a safari park under BFD’s management.

20. The project would support the construction of the Center’s training facility, TA to develop training, education and awareness programs and materials, including a “training of trainers” curriculum. A priority area is knowledge improvement on all aspects of trade in wild fauna and flora and control of illegal trade. The beneficiaries of the programs would include officers and staff of BFD, law enforcement agencies, Customs and Excise Department and Department of Import and Export. The beneficiaries are expected to disseminate their knowledge as they rotate through positions in various parts of the government.

21. Bangladesh recognizes the judiciary’s role in controlling illegal wildlife trade. The country has an Environmental Court at the national level and GOB proposes to establish environmental courts at the district level. Developing linkages with the environmental courts to provide training and awareness for the judiciary on wildlife trade and other crucial conservation issues could be undertaken by the Center’s training unit. Finally, to build public support for wildlife conservation and management, awareness programs would be developed and conducted for local and national politicians, civil society, schools and the tourist industry.

22. WC would facilitate research in wildlife conservation that would lead to effective management of species and PAs. Research priorities would be identified in consultation with WC’s other units and relevant technical specialists in the sector. Based on those needs, WC would call for research proposals on an annual basis from national research organizations, conservation organizations, academia and individual researchers to undertake research studies. The proposals would be evaluated by a Research Committee appointed by BFD that would include independent technical experts. To ensure transparency, the independent technical experts on the Research Committee would not be permitted to submit or be associated with the research proposals.

23. The studies would be conducted in collaboration with WC. The studies would include the establishment of baseline data on biodiversity status in the PA network, development of conservation action plans for individual endangered species (such as tiger, elephant, dolphin, turtle and birds), tracking trans-boundary movement of endangered species like the tiger and elephants, habitat identification, management research, taxonomy studies, population census for flagship species (tiger, elephant, black bear and crocodile) and prey species (deer, wild boar and monkey), development of systems for real time field based monitoring and surveys to identify

illegal wildlife trading/smuggling routes.

24. The Center would also be responsible for the operations of wildlife recovery and rehabilitation centers. Such centers would be responsible for wildlife health and rehabilitation of species recovered from illegal wildlife trade. Four centers would be established in Khulna, Sylhet, Dhaka and Chittagong. Their goal would be the release of recovered faunal species back into the wild after rehabilitation. As its contribution to the project, GOB would purchase land to build these four centers.

25. WC's activities on M&E are inadequate at present. They need to be strengthened at the PA level as well as at WC's head office. Staff at the PA level would be trained in M&E techniques and a small team of WC staff would be trained in M&E for collating PA level information and undertaking independent "audits" of project related activities initially but rapidly evolving into M&E of the investments from the national budget in WC.

26. Information and communication technology (ICT) capacity within WC would be built and used for better management of the PA network through improved information gathering and dissemination. Since there is a growing concern that many PAs are not achieving the objectives for which they were established, several available PA management effectiveness tools would be adopted. The World Commission of Protected Areas (WCPA) has developed a framework for assessment of PA management effectiveness. The Management Effectiveness Tracking Tool (METT) is one such tool that can be used for tracking PA management effectiveness under the project and its impacts on flagship species and habitats.

(ii) *Nepal*

27. As mentioned above, this sub-component would support staff training and re-orientation, regional interaction by agencies engaged in conservation and illegal trade control, study tours tailored towards regional cooperation.

28. Like in Bangladesh, training would be provided to staff in Nepal on habitat and wildlife population management, biodiversity monitoring, smart patrolling and more effective law enforcement techniques, forensics, legal literacy of frontline staff for better crime scene recording, making and building case profiles, knowledge management in areas such as forensic literacy and geographic information system (GIS) as well as CITES compliance, confiscated wildlife stock management, wildlife crime control and intelligence work related to wildlife crime control. A few opportunities would be provided for staff to pursue higher education in fields related to wildlife conservation and wildlife crime control. Transparent mechanisms will be introduced for the selection of staff for international study tours, exposure visits and higher education opportunities.⁴⁷ GoN or NTNC employees, who have participated in an international training course or study visit, will be expected to remain in their posts for the minimum period specified by Clause 40 (c) of the Civil Service Act, 2049 (1993).

⁴⁷ Civil service regulations specify the length of time that trained staff are required to remain in their positions following the completion of their training.

Component 2: Promoting wildlife conservation in Asia (Total US\$27.0 million, including contingencies, of which: Bangladesh US\$25.3 million and Nepal US\$1.7 million)

Sub-component 2.1 Virtual Regional Center of Excellence (VRCE) for wildlife conservation (Total US\$1.8 million, including contingencies, of which: Bangladesh US\$1.5 million and Nepal US\$0.3 million)

29. An important objective of this project is to fill crucial knowledge and information gaps in addressing the many regional threats to conservation. With contiguous boundaries and similar habitats, problems are often shared. This component would support the creation of a virtual regional center of excellence (VRCE) for wildlife conservation. VRCE would include a network of scientists and practitioners in wildlife conservation whose mission would be to expand the scope and quality of research in wildlife conservation needed for more effective management of PAs and to develop a common response against illegal wildlife trade in and outside the region as well as to address other regional issues to be agreed by the participating countries. The exclusive focus would be either on promoting a conservation-related regional public good or addressing a regional public bad. Given the existence of national institutions with expertise in this area already, it is critical for VRCE to bring value-added and not duplicate existing efforts.

30. VRCE would provide the first (and only) coordinated response for research and knowledge dissemination on wildlife conservation in South Asia. By playing the role of coordinator and facilitator of knowledge and expertise, VRCE could become a vehicle for promoting dialogue and good practices as well as disseminating knowledge. Because VRCE will be virtual and will not have a central physical facility, it will rely heavily on state-of-the-art ICT to conduct its business and attain its objectives. Specifically, it would combine face-to-face meetings, online presence through a website, social media to reach broad audiences and video-conferencing. VRCE would build on existing regional and global environmental initiatives and projects, such as SAARC, SACEP, SAWTI and CITES and benefit from established experience, mechanisms and protocols. It would also draw on strategic partnerships with renowned wildlife conservation institutions in the region and elsewhere. At a meeting in November 2010 among conservation officials from Bangladesh, Bhutan, India and Nepal – as the project’s principal stakeholders – the participants discussed the project’s regional issues and agreed to adopt specific mechanisms for collaboration in addressing the threats to wildlife and habitats. In recognition of the need to share and promote knowledge and research, the participants at the regional meeting expressed their commitment to the establishment of the VRCE.

31. *Governance and management of VRCE.* The Regional Operational Steering Committee (ROSC), described in Annex 3, would assist in the development of VRCE’s overall program and objectives. VRCE would be managed by a director and this position is envisaged to rotate among the participating countries to assure appropriate ownership and representation. VRCE’s director would be responsible for coordinating the development and implementation of the regional work program for the VRCE and developing, in conjunction with the national counterparts, the country programs that would give VRCE its added value at the local level. VRCE’s directorate would be housed within the PMU of each participating country during its tenure in managing VRCE that would coincide with its turn to chair the ROSC.

32. *Knowledge dissemination.* VRCE would develop an active knowledge dissemination program that would include: (a) publication of research and pilot project results; (b) sponsorship of workshops, lectures and seminars; (c) special seminars aimed at decision makers in the participating governments (legislators, administrators and policy makers); (d) training modules and teaching materials for wildlife managers; and (e) development of protocols for informing policy and wildlife managers in the field. Knowledge generation or research within the VRCE would focus primarily on conservation and species management research. Better management of PAs and their species as well as stronger conservation measures would enable the establishment and maintenance of systems and mechanisms to address the threats to wildlife due to poaching and illegal trade.

33. VRCE could be used for coordination and collaboration at the country level in addition to the regional level. While Bangladesh has research bodies and universities undertaking wildlife research, there is little coordination and collaboration among the institutions due to the absence of a local networking forum. The Bangladesh Forest Research Institute, University of Dhaka, Jahangir Nagar University and Chittagong University are some of the institutions involved in wildlife conservation research. The need to strengthen the Forest Research Institute's ability to expand its research focus from forestry to wildlife conservation and PA management is essential. The Forest Research Institute and the universities involved in wildlife conservation and PA management research would be able to access research funds under the project which will be administered through the Wildlife Center. Assistance to upgrade the library facilities in BFD and WC, including provision of on-line access to technical journals would be useful for staff capacity building and could be supported under the project. For all participating countries to benefit from the mentioned efforts, VRCE could sponsor the creation of a local networking forum in each country VRCE to facilitate exchange of research information, collaboration and coordination of country level institutions involved in wildlife conservation research. The coordination would be facilitated by the country-based Project Implementation and/or Project Coordination Units (PIU/PCUs).

34. *South Asia Wildlife Enforcement Network (SAWEN).* During the first meeting of the South Asia Experts Group on Illegal Wildlife Trade in Kathmandu in May 2010, the participating countries agreed on the structure, functions, and operational parameters for SAWEN along the lines of the Association of South East Asian Nations Wildlife Enforcement Network (ASEAN-WEN). The establishment of SAWEN was formally announced in January 2011 in Paro, Bhutan. SAWEN would strengthen regional law enforcement activities through bilateral and multilateral arrangements. If requested by the participating countries, support would be provided under the project for the institutional development of SAWEN.

Sub-component 2.2 Competitive funding to support the management of protected areas (PAs), forest reserves (FRs) or reserve forests (RFs) and national forests (NFs) with regional conservation benefits (Total component US\$25.2 million, including contingencies, of which: Bangladesh US\$23.8 million and Nepal US\$1.5 million)

35. Geographically, the inter-connectedness of habitats and ecosystems between the countries in the region is well known – Nepal and India in the Tarai region; India and Bangladesh in the Sundarbans; and Bhutan and India in the Eastern Himalayas. The large mammals and flagship

species are not confined according to administrative and national boundaries. Furthermore, population and development pressures are threatening the connectivity and integrity of wildlife corridors and linkages between PAs. Wildlife management and habitat conservation efforts undertaken in countries sharing ecological boundaries, including patrolling or interdiction of illegal activity and anti-poaching/trafficking operations need to be coordinated among countries to ensure that no actions in one country are detrimental to its neighbors. Therefore, a landscape approach to conservation planning would enable regional countries to move beyond focusing on their national PAs and boundaries.

36. While the project would provide TA and training to strengthen institutions in the participating countries to better address wildlife conservation and control illegal wildlife trade under Component 1, actual conservation and protection of the country's wildlife in general and its charismatic flagship species, in particular, will not take place unless prudent investments are made in the landscapes consisting of PAs, FRs and NFs for conservation, protection and management of ecosystems. The focus of project support would be on investments that would result in regional conservation benefits, such as implementation of flagship species conservation and recovery plans and provide safe havens for wildlife in the region.

37. To foster ownership, efficiency and commitment on the part of the field based managers of the implementing agencies, a competitive demand-driven approach to interventions in PAs, FRs and NFs, would be applied. Funds would be allocated through an annual competitive call for: (i) proposals submitted from respective PAs, FRs and NFs that promote demand-driven and decentralized approaches to conservation and management of natural ecosystems and would bring about regional conservation benefits; and (ii) proposals submitted for innovative pilot projects with regional applicability that address endangered species conservation, innovative research in wildlife conservation, human wildlife conflict management and ecotourism development, by the implementing agencies of the participating countries either individually, or in collaboration with other stakeholders. Funds can be accessed through two funding windows in accordance with their respective objectives by BFD as well as Nepal's DNPWC and DOF.

Window 1: Conservation, protection and management of protected areas and forest reserves for regional conservation benefits (Total US\$17.1 million, including contingencies, of which: Bangladesh US\$17.1 million)

38. Priority PAs and FRs with interconnected habitats and ecosystems with regional countries will be eligible for accessing funds under this window for activities in conservation, protection and management with ensuing regional conservation benefits. Interventions will be based on existing management plans or new ones prepared under the project. Field-based PA, and FR managers are well acquainted with the challenges of management and conservation as well as the local needs and conditions. Often, PA, and FR managers are under-resourced and have limited incentives to meet centrally defined goals. To sharpen incentives, promote demand-driven interventions and encourage attention to regional conservation benefits, this window will provide funding for proposals submitted by field-based PA and FR managers on a competitive basis. In order to ensure collaboration and complementarity in the management of adjacent PAs, FRs and NFs within the conservation landscape partnerships among PAs, FRs and NFs will be encouraged, wherever possible. Competition among the applicants is expected to improve

efficiency and promote more cost-effective and relevant interventions.⁴⁸

39. The project will support activities under both windows in Bangladesh. However, Window 1 will not be implemented in Nepal. GON has decided to allocate funds from its national budget to support activities on conservation, protection and management of PAs and NFs for long-term, regional conservation benefits. GON's budget support and the associated activities will not be part of this project. GON's commitment to wildlife conservation, in general, and tiger conservation, in particular, is demonstrated by its decision to allocate US\$6 million over five years. Window 2, on the other hand, would be implemented in Nepal.

40. The implementing agencies of the participating countries reached agreement on the following criteria for selecting priority PAs and FRs for project interventions under Window 1.

- PAs and FRs with interconnected habitats and ecosystems with regional countries
- Areas with high levels of poaching and illegal wildlife trade
- Areas of high biodiversity significance
- Threatened ecosystems
- Locations with observed high presence of endemic species and/or flagship species
- Locations with potential for non-consumptive ecosystem services
- PAs, FRs and NFs at risk of succumbing to surrounding development pressures
- PAs, FRs and NFs with high nature based tourism activity and potential thus requiring intensive management

41. Typical activities that would be funded under this window include: (a) rehabilitation and development of water resources in PAs and FRs; (b) habitat management, such as control of invasive species; (c) rehabilitation of existing roads; (d) improvements in existing park infrastructure; (e) species monitoring and recovery programs; (f) protection of inviolate areas for species conservation; (g) preparation and implementation of endangered species recovery plans; (h) implementation of real-time field based monitoring systems; (i) development of landscape scale imaging platforms; and (j) strengthening enforcement of laws and regulations. All proposals will include a program for monitoring the impacts of the interventions on the flagship species and habitats. No major infrastructure that would have significant adverse environmental consequences within PAs, FRs and NFs will be supported under the project. Any activity implemented within the PA, FR and NF systems would be required to undertake an environmental and/or social analysis in accordance with the Environmental and Social Management Frameworks prepared for this project and prepare Environmental Management Plans to mitigate any adverse impacts.

Window 2: Innovative pilot projects with a regional dimension (Total US\$8.1 million, including contingencies, of which: Bangladesh US\$6.7 million and Nepal US\$1.5 million)

⁴⁸ Such incentive-based approaches to conservation are being more widely used across the world (see, e.g., A. Arendodo, "Green Auctions", *Ecological Economics* (forthcoming), E Bulte and R Damania, 2002, "Modeling the Economics of Interdependent Species", *Natural Resource Modeling*, 16: 21-33; T. Cason and R Gangadharan, 2004, "A Laboratory Based Test of Conservation Auctions" *Journal of Environmental Economics and Management*, 46:446-57.

42. Following the demand-driven approach for competitive funding, a second window would be established for innovative research projects in wildlife conservation and PA management; pilot programs in conservation of endangered flagship species; piloting human wildlife coexistence models and incentive schemes, such as payments for environmental services for those affected by human-wildlife conflict; development of ecotourism plans with regional conservation benefits; and implementation of priority activities under the ecotourism plans. The focus of Window 2 would be on activities that result in regional conservation benefits. In addressing conservation of endangered flagship species, human-wildlife conflict management and ecotourism development, a landscape approach is necessary and must be considered during the preparation of project proposals for funding under Window 2.

43. *Innovative research projects in wildlife conservation.* Effective wildlife conservation and management must be based on solid scientific information. While there is a reasonable amount of wildlife research undertaken in South Asian countries, research efforts need to be accelerated and made more adaptive for use in wildlife conservation and management. Window 2 would provide opportunities for implementing agencies to identify critical research needs that would lead to better wildlife management and submit proposals in collaboration with universities, research organizations and individual researchers. Partnerships with regional and international researchers and organizations will be encouraged.

44. *Pilot programs in conservation of endangered flagship species.* Conservation and species recovery plans have been prepared for most of the endangered flagship species, such as tiger, rhinoceros, snow leopard and elephant. But, in most cases, implementation of critical activities under these plans has not taken place due to lack of funding. Currently, there is no procedure or framework for the systematic assessment of priorities for endangered species management, development of management strategies, the linkages of in-situ and ex-situ conservation etc. Climate change has also resulted in reducing the habitat of the snow leopard and its prey species, severely endangering the future of the snow leopard in Nepal. Window 2 will provide an opportunity for the development of a framework for a systematic assessment of priorities for endangered flagship species management and funding for pilot programs in priority areas of conservation of endangered species. Implementing agencies are encouraged to propose pilot programs in partnership with other stakeholders to demonstrate the potential for scaling up conservation models.

45. *Human-wildlife conflict management.* With population growth and development demands of regional countries, PAs, FRs and NFs are no longer large contiguous habitats as in the past. Fragmentation of ecosystems has resulted in significant human wildlife conflict, which has become a key social, political and environmental concern. It has also become a leading threat to the long-term survival of endangered flagship species like the tiger, elephant and rhinoceros. The need for undertaking innovative pilot projects to address the human-wildlife conflict issue is a priority for the participating countries. Tiger-human conflict (THC) is a serious concern in both countries given the increasing trend of buffer zone communities affected by THC. Pilot projects to address the conflict are urgently needed if the tiger population is to be protected. Community participation in implementing the pilot projects is critical for long-term success. This would involve raising the awareness of communities on the importance of tiger conservation, training on techniques of handling stray tiger intrusions to villages without

harming the tiger, establishment of an effective communication system between the community and the response teams from Bangladesh's WC, for example, exploring the possibility of training select community members in basic immobilization techniques and containment until the tiger response teams arrive, training for the response teams on safe tranquilizing and capture methods, etc. With the experience gained from implementing the pilots, suitable replicable models can be developed to address the tiger-human conflict elsewhere in the country.

46. Human-elephant conflict (HEC) is another serious problem. HEC is escalating in both countries with serious repercussions for both humans and elephants. Current approaches have done little to address the problems effectively. Translocations and elephant drives used as a HEC management tool in many countries have proven to be a costly failure to both humans and elephants. They have largely failed because the approach neglects the root causes of the problem. Most PAs are already at or even beyond carrying capacity and hold the maximum number of elephants they can support. Additionally, PAs are generally primary or mature forests and they provide sub-optimal habitat for edge species, such as elephants that prefer degraded forest habitats. There is a need, therefore, to find a new approach for HEC management by developing mechanisms that turn wild elephants from economic liabilities and the foes of local farmers to wild, living, communal and economic assets.

47. Through telemetry data on elephant movements and socio-economic assessments that can be supported under the project, human-elephant coexistence models will be developed. This will provide the governments of the participating countries with a tremendous opportunity to pioneer new science and observation-based adaptive management approaches with the potential to convert HEC to one of human-elephant coexistence. In Bangladesh, three areas of severe HEC problems have been identified: Lama in Chittagong Hill Tracts, Shepur and Jamaipur districts. Pilot proposals will most likely be submitted for support to these areas. The exact locations of the pilots would be determined during project implementation since telemetry data and socio-economic assessments need to be undertaken first to determine the most suitable pilot sites.

48. Population expansion and development have reduced the habitat of the rhinoceros, invariably leading to a conflict with humans in the non-forest areas of Nepal. With reduced habitat for the rhinoceros, the destruction of farm crops and the human casualty toll are serious concerns in the Tarai region of Nepal. Understanding the ranging patterns of rhinoceros as well as community education and awareness could go a long way towards reducing the conflict.

49. Moreover, the project would provide TA to Bangladesh's WC to examine the current compensation schemes for those affected by THC and HEC and propose revisions or modifications, if required. Incentive mechanisms such as crop substitutions, payments for environmental services etc., may be explored under THC/HEC management pilot projects.

50. To minimize THC and HEC, community participation is crucial. Community consultations, education and awareness creation is of paramount importance to the success of the pilots. The pilots will be designed in consultation with the affected communities. Consultations will be an ongoing activity throughout project implementation.

51. *Ecotourism development.* Wildlife is often seen as an economic liability and a drain on

development. Numerous examples from places as diverse as Namibia to Australia have demonstrated that ecotourism can be used as a tool for turning wildlife from a liability to an economic asset that creates a powerful constituency in support of conservation. South Asia with its immense endowment of rare and charismatic species and unique ecosystems has much to offer by way of ecotourism potential.

52. However, experience suggests that great caution must be exercised in the design of such systems to ensure that they contribute to conservation and do not degrade the habitats upon which they depend (e.g., highly intrusive and poorly planned structures). A further risk emerges from the familiar “resource curse” phenomenon – where tourism acts like an enclave industry with revenues being exported out of the region and minimal benefits accruing to local populations. Communities need to be important beneficiaries of a sustainable and environmentally beneficial system. Well developed ecotourism can generate dual benefits in the form of improved conservation, a community of support for conservation and livelihood benefits, but there are also many examples of tourism depleting local resources and contributing little to conservation.⁴⁹

53. Countries in the region recognize the significance of developing regional, environmentally beneficial ecotourism. In view of the diversity of wildlife tourist assets, the typical pilot projects submitted to Window 2 could support assessments of the potential to develop ecotourism in ways that generate clear environmental benefits and create a pool of local support for conservation (for example, through benefit sharing, employment, etc.) in the areas identified. Good practices from elsewhere would inform the assessments. If the assessments indicate the potential for regional conservation benefits, the project could invest in developing such identified potential.⁵⁰ As it is, unplanned ecotourism is taking place already in sites adjacent to PAs, FRs and NFs. Pilot projects under Window 2 could assist in developing environmentally friendly ecotourism plans for those sites. Window 2 would support: (i) development of ecotourism plans with demonstrated regional environmental and conservation benefits; and (ii) implementation of priority activities under such plans with ensuing regional benefits for conservation.⁵¹ Depending upon the tourism potential and local circumstances (e.g., security, NGO opposition), not all countries and sub-regions within countries may participate in submitting pilot project proposals for funding.

54. A transparent and independent process would be established for reviewing and approving proposals submitted to both windows for funding which is described in Annex 3. The specific

⁴⁹ Through the Critical Ecosystem Partnership Fund (CEPF, currently in its 10th year) and the Save Our Species program, the World Bank has identified the types of enabling conditions and articulated meaningful M&E structures that foster successful biodiversity sub-projects in large landscapes. In fact, CEPF is currently engaged in the Indo-Burma hotspot (Eastern Himalayas). The consensus-driven and participatory ecosystem profile that CEPF led to drive its investments and decision-making about priorities for conservation could provide guidance.

⁵⁰ This may include the creation of regional wildlife networks or “trails” i.e., NOT roads (pathways or other built intrusive structures) but information about opportunities and wildlife viewing towers across national boundaries that may include: a mammal trail (in a range of habitats across the countries to include tiger, rhino, elephant, red panda, leopard); bird-watching trails; botanical trails with a focus on the wild flowers of the Himalayan ranges.

⁵¹ Such activities are likely to include small-scale ecotourism pilots and support for better regulation and management of existing facilities.

eligibility criteria (including a negative list of activities) under each funding window will be stated explicitly in the operational manuals that will be finalized as a condition of disbursement.

Component 3: Project coordination and communication (Total US\$5.2 million, including contingencies, of which: Bangladesh US\$5.0 million and Nepal US\$0.2 million)

Sub-component 3.1: National and regional project coordination (Total US\$1.5 million, including contingencies, of which Bangladesh US\$1.3 million and Nepal US\$0.2 million)

55. GOB would appoint a National Project Steering Committee (NPSC) for overall oversight at the country level, chaired by the Secretary, Ministry of Environment and Forest. A Project Implementation Unit (PIU) headed by a Project Director would oversee project operations.

56. Similarly, GON would form its NPSC chaired by Secretary, MOFSC to provide policy guidance and review project progress. The Chief of the Environment Division of MOFSC will be the Member Secretary of the NPSC. GON and the implementing agencies have determined that project coordination would be undertaken by the National Trust for Nature Conservation (NTNC). NTNC has prior experience in managing projects on behalf of DNPWC and DOF. The implementation responsibility will remain with the two implementing agencies – DNPWC and DOF – while NTNC will have responsibilities on fiduciary, overall coordination, monitoring, evaluation and reporting functions under the guidance of a Project Management Committee (PMC) responsible for ensuring coordination among the participating agencies and routine decision making. The PMC will be comprised of the heads of the two implementing agencies, their deputies, NTNC's Executive Officer and the Project Coordinator as Member Secretary. Through a Memorandum of Understanding with NTNC, GON will arrange for the retention of staff during project implementation to ensure continuity.

57. The project would require financial support for regional coordination because of the participation of several countries and the need to closely coordinate the regional activities. Details of the regional coordination mechanisms are described in Annex 3.

58. At the November 2010 meeting among conservation officials from Bangladesh, Bhutan, India and Nepal (as the project's primary stakeholders), the participants discussed the project's regional issues and agreed to adopt specific mechanisms for collaboration in addressing the threats to wildlife and habitats. The officials from Bhutan and India have committed to join the proposed Regional Policy Steering Committee (see Annex 3) aimed at ensuring regional coordination as soon as the Committee is established during the first phase of the APL.

Sub-component 3.2: National and regional project communications (Total US\$0.7 million, including contingencies, of which Bangladesh US\$0.7 million)

59. The project envisages a multi-pronged approach to communication to meet regional and local challenges. To achieve close communication and collaboration among the implementing agencies, the plan proposes to set up separate communications units within the PIU/PCUs that will implement coordinated strategies of regional and national communications. A wide range of consultations with various stakeholder groups will be conducted at the national and local levels.

Rolling consultations are expected to continue throughout the project cycle. To ensure that all stakeholders have a clear understanding about this project, mass communication tools will be used to simplify and explain the basic concept and principles. The tools will include multimedia audio/video products, dramas in local languages, brochures, and website(s). These products will be tailored to meet local conditions and languages. The plan will be finalized and be ready for implementation by project effectiveness. The plan will be monitored and fine tuned during implementation on the basis of periodic evaluations. This component will also harmonize with GTI which has a broader geographic mandate and can engage in demand side management.

Sub-component 3.3: Salaries of existing project staff, overheads and purchase of land (Bangladesh US\$3.0 million, including contingencies)

60. GOB has committed to cover the salaries of existing government staff who will work on the project and to purchase and develop land to build the four wildlife recovery and rehabilitation centers. IDA funds allocated for operating costs will not cover these overhead costs. For practical purposes, GOB's contributions are consolidated into one sub-component.

Annex 3: Implementation Arrangements

BANGLADESH AND NEPAL: First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

1. The following institutional arrangements for regional project coordination and country-based project implementation have been agreed.

A. Regional Level

2. As stated in Section IV. A of the main text, the participating countries have agreed that a strong regional coordination mechanism would need to be in place to ensure the achievement of the PDO. Regional coordination would be exercised at two levels: (i) the policy level; and (ii) the operational level. At the policy level, a Regional Policy Steering Committee (RPSC) would be established. At the operational level, an Operational Steering Committee for Regional Coordination (OSCRC) of the project would be established. The OSCRC's main responsibilities are to ensure effective coordination of project activities that have regional implications and to foster dialogue on wildlife conservation issues among the participating countries. Any contentious issues that cannot be resolved by the OSCRC may be elevated to the RPSC for recourse. The project management/coordination units (PMU/PCU) in the participating countries chairing the RPSC and the OSCRC will serve as the secretariats to both committees.⁵²

B. Bangladesh

Project administration

3. The project would be implemented by the Bangladesh Forests Department (BFD) under the Ministry of Environment and Forests (MOEF). MOEF would create a National Project Steering Committee (NPSC) chaired by the Secretary, Ministry of Environment and Forests and be responsible for overall project oversight at the country level. The NPSC would include the Chief Conservator of Forests, other relevant high level staff from the Government, wildlife experts and conservation NGOs.

4. BFD would establish a project implementation unit (PIU) headed by a Project Director (not below the rank of Conservator of Forests or CF). A Project Manager will be hired to coordinate the day-to-day managerial activities and provide technical guidance and input for the different components. In addition, a project implementation committee (PIC) would be established by BFD, comprising the Chief Conservator of Forest (CCF), Deputy Chief Conservator of Forest (DCCF), senior CFs, Assistant Chief Conservator of Forest Development Planning Unit, other experts, the Project Director, the Project Manager and a representative of IDA as an observer. The PIC will be chaired by the CCF and will be responsible for: (i) reviewing the quarterly and annual progress of the project based on reports prepared by the PIU

⁵² Coordination among the policy and operational regional committees, the PMUs and GTI will be encouraged.

(see below); (ii) guiding the PIU on implementation; (iii) reviewing and approving updated procurement plans and interim unaudited financial reports (IUFRs); and (iv) making independent field visits to the project areas to assess field implementation. The Project Director will have the overall responsibility for the project's smooth implementation. Details of the implementation arrangements can be found in the Operational Manual (OM). A draft OM acceptable to IDA has been developed and completion of the final OM is a disbursement condition.

Financial Management

5. Overall, the residual financial management (FM) risk for the project is assessed as "Substantial". The fund flows and reporting follow the same channels and are consolidated manually at BFD's head office in Dhaka by the Finance, Budget and General Direction Division. In addition to the Government's financial rules, BFD also follows the "Account Code for Departmental Accounts" for payment, reporting and accounting under a post audit environment. The FM arrangements are summarized below and described in detail in the OM.

6. *Staffing.* BFD's recent experience with IDA-financed projects is minimal.⁵³ Moreover, BFD does not have the additional staff to manage and carry out day-to-day financial activities of the project. As a result, BFD needs to strengthen its FM capacity to the size and level commensurate with the functional responsibilities of project implementation. In order to ensure effectiveness and continuity of FM functions and disbursement, the PIU would be required to recruit the following staff members by the dates shown in the table below.

Table 3.1 Bangladesh: Financial Management Action Plan

Position	Consultant/Staff	Actions Needed	Date
FM Specialist (FMS)	Consultant	Agree on TOR with IDA and publish REOI Select and appoint FMS	By negotiations Prior to disbursement
Accounts Officer (AO)	Staff	Issue an Office Order for assigning the AO to PIU	Prior to disbursement

7. BFD has made appropriate provisions in the Development Project Proposal (DPP) for the above stated positions. The selected FM staff will receive training in FM and disbursements to meet IDA requirements. BFD submitted a Development Project Proposal (DPP) to MOEF that, in turn, will submit it to the Planning Commission for approval.⁵⁴ The same process will be followed with respect to submission and approval of proposals for allocations under the Annual Development Plans.

8. *Books of accounts and financial reporting.* The PIU will maintain separate books and prepare financial statements, and periodic IUFRs for the project. The project will follow GOB's Project Accounting Manual. As the agencies do not have computerized accounting systems, the staff will rely on Excel-based accounting tools to maintain the books using GOB's code of accounts until the project is effective. Manual registers would be used to adequately record the

⁵³ BFD implemented the IDA-financed Forest Resource Management Project which closed in 2000.

⁵⁴ The DPP is the corresponding document for the Government of Bangladesh to IDA's PAD.

acquisition of the project's fixed assets. Other spending units under the project such as the divisional forest offices (DFOs) or the Wildlife Circle (WC) would maintain imprest petty cash books for the funds spent from the project. The PIU will submit interim unaudited financial reports (IUFs) to IDA for the entire project not later than 45 days after the end of each quarter. The PIU will implement a computerized accounting system within six months of the appointment of the FMS who will be responsible for developing the chart of accounts and design of the report in line with IDA and other stakeholder requirements.

9. *Designated account and fund flows.* IDA funds for the project will flow through a segregated Designated Account (DA) for BFD to be opened at a commercial bank acceptable to IDA. BFD will open a Convertible Taka Special Accounts (CONTASA) at a commercial bank acceptable to IDA. The minimum application size for direct payments, reimbursement and special commitment will be set at 20% of advances to the DA.

10. *Internal control.* A draft FM section of the project's OM has been developed. It specifies the segregation of duties and defines the responsibilities and steps required to process financial transactions. The OM will be finalized by project effectiveness.

11. *Internal audits.* In the absence of in-house capacities for internal audits in the implementing agencies, annual audits for the project will be outsourced and funded by the project on the basis of TORs agreed with the Bank. The PIU will present the findings to the Project Audit Committee and NPSC.

12. *External audits.* Project accounts would be audited by the Foreign Aided Project Audit Directorate of the Comptroller and Auditor General (C&AG). The PIU will submit the consolidated audited financial statements for the project no later than December 31 of each year. Currently, the MOEF and BFD are not implementing any IDA-financed projects.

Coordinating Agency	Audit Type	Auditor	Deadline
MOEF	Audit of Project's Consolidated Annual Financial Statements	Foreign Aided Project Audit Directorate under Comptroller & Auditor General	December 31 of each year

13. *Pending audit issues.* There are some outstanding audit issues related to the IDA-financed Forest Resources Management Project (FARM) previously implemented by BFD which closed in December 2001. The agency will submit an action plan for resolving all outstanding audit issues before project effectiveness.

14. *Supervision plan.* Initially, supervision will focus on: compliance with all agreed actions, terms, and conditions by the project's FM staff, identification of any FM or disbursement issues during project implementation and agreement on redress measures.

Disbursement

15. The project duration would be five years. Project funding will consist of an IDA credit of US\$36 million and GOB's contribution of US\$3 million in land contribution, salaries of staff

working on the project. IDA financing for each expenditure category will be 100% of all costs including taxes. IDA will require full documentation where contracts for: (i) goods exceed US\$300,000; (ii) works exceed US\$500,000; (iii) consulting firms exceed US\$100,000; and (iv) individual consultants exceed US\$50,000. Expenditures below the mentioned thresholds will be claimed through Statement of Expenditures (SOEs). Table 3.2 shows the IDA financing under different expenditure categories.

Table 3.2 Bangladesh: Allocation of IDA Credit Proceeds

Description	Project Cost (In US\$)	Financing (In % including taxes)
Goods, works, consultant services, training and workshops, operating costs* for all parts of the project excluding Windows 1 and 2 of Component 2	12,350,000	100%
Goods, works, consultant services, training and workshops, operating costs* for Windows 1 and 2 of Component 2	23,650,000	100%
Total	36,000,000	100%

* Operating costs would apply to the newly created Wildlife Crime Control Unit (WCCU), Wildlife Center (WC), Protected Area Management Unit (PAMU) and the Project Management Unit (PMU) of BFD. They all are units within BFD. "Operating costs" include reasonable and necessary incremental expenditures, as approved by IDA on the basis of budgets acceptable to IDA, incurred by the WCCU, WC, PAMU and the PMU with respect to project implementation, management and monitoring. These include staff and short-term consultant remuneration, training, office space, office supplies, utilities, publication of procurement notices, vehicle operation, cost of Project audit, travel, and supervision costs. However, they exclude the salaries of officials and employees of the Government.

Procurement

16. Procurement for the proposed project would be carried out in accordance with the IDA Procurement Guidelines of January 2011 and IDA Consultant Guidelines of January 2011 as well as the provisions stipulated in the Financing Agreement. For each contract financed by the credit, the respective procurement or consultant selection method, the requirements on pre-qualification, cost estimate, prior review and time frame are agreed between the Borrower and IDA within the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect actual project implementation needs and improvements in BFD's capacity.

17. The assessment of BFD's procurement covered the legislative framework, procurement planning, procurement processing, organizational functions and staffing, internal control and support system, record keeping, and contract administration. The following weaknesses were identified: (i) inexperience with IDA-financed projects; (ii) absence of dedicated procurement staff within the agency to deal with procurement activities; (iii) inadequate capacity for administering large and complex contracts; (iv) absence of processes for handling complaints; (v) vested interests; and (vi) political intervention. In addition, the areas comprising information dissemination, delivery follow up and payments will need to be improved. In view of the weaknesses and the relative size of the contracts envisaged under this project, the project is rated as "high risk" from the standpoint of procurement operation and contract administration. Several

measures to mitigate the risks are either in place or will be put in place as described below. The procurement arrangements are described in the OM.

18. Measures completed during project preparation include: (i) agreement with the agency that most of the procurement will be centralized under the PIU; (ii) delegation of one person from the agency as Procurement Focal Point (PFP) during the preparation to work on procurement issues; (iii) finalizing the Procurement Plan; (iv) agreement on the Procurement Risk Mitigation Plan (PRMP); and (v) incorporation of the PRMP into the DPP.

19. Measures envisaged for completion by credit effectiveness include: (i) assigning at least one staff member from BFD as Procurement Officer (PO) in the PIU who would report to the Project Director (PD) as the PFP for the project; (ii) hiring a procurement consultant with experience in international procurement of projects financed by multilateral development partners to support the PIU on procurement activities and guide the PIU on procurement issues for 36 months extendable to 48 months, if required. The measures to be taken during project implementation are found in the OM.

20. The following measures would be carried out during implementation. (i) The PFP and PO would undergo national and international level procurement training before significant procurement takes place. (ii) The PIU will submit quarterly PRMP status report to IDA starting at six months after project effectiveness. (iii) The procurement consultant will be a mandatory part of the tender/bid evaluation meetings to assist and guide the evaluation committee members in the evaluation process. (iv) For contracts following IDA Guidelines, the latest standard bid document and/or Request for Proposal (RFP) should be used. For all contracts, IDA's standard format for evaluation report should be used. (v) IDA will organize procurement orientation or training workshops as and when required to enhance the procurement capacity of the agency. (vi) The procurement plan will be updated at least annually or as required. Details of the procurement process and guidelines can be found in the OM.

21. *Methods for procurement of goods and works.* Except as otherwise agreed in the procurement plan, works and goods may be procured on the basis of International Competitive Bidding. Procurement of goods and works with an estimated value that falls below the ceiling stipulated in the Procurement Plan may follow National Competitive Bidding (NCB) and Shopping. Direct Contracting (Goods/Works) and Single source Selection (Consultants) would be allowed under special circumstances with prior agreement by IDA. NCB would be carried out under IDA Procurement Guidelines that follow the procedures of the Government's Open Tendering Method (OTM) under the Public Procurement Act (PPA) and Public Procurement Rules and utilize standard bidding documents satisfactory to IDA. The "Request for Quotation" document based on the PPA is acceptable to IDA for Shopping. NCB may be applied under the following conditions: (i) post bidding negotiations will not be allowed with the lowest evaluated bid or any other bids; (ii) bids should be submitted and opened in public in one location immediately after the deadline for submission; (iii) rebidding will not be carried out except only with IDA's prior agreement; (iv) lottery in awarding contracts will not be allowed; (v) bidders' qualifications and experience requirements are mandatory; (vi) bids will not be invited on the basis of percentage above or below the estimated cost and contract award will be based on the lowest evaluated, compliant bid price from eligible and qualified bidders; and (vii) single stage

two envelope procurement system will not be allowed.

22. *Methods for procurement of consultant services.* Consultant procurement will follow IDA Consultant Guidelines. The following methods will be applied: Quality and Cost-based Selection (QCBS), Quality-based Selection (QBS), Fixed Budget Selection (FBS), Consultants' Qualification (CQ), Least Cost Selection (LCS), and Single Source Selection (SSS). The short list of consultants for services estimated to cost less than US\$200,000 equivalent per contract may be composed entirely of national consultants. For the selection of such consultants, the request for proposal prepared on the basis of the PPA and acceptable to IDA may be used. The Procurement Plan will specify the circumstances and thresholds under each specific method.

23. *Incremental operating costs.* These will include the costs of incremental project staff, operations and maintenance of vehicles (fuel, maintenance, insurance etc), renting of vehicles, office utilities, office supplies and stationeries, unforeseen printing of materials, souvenirs, events, workshops, rental of office buildings, bank charges, advertising costs or any other operational cost agreed with IDA. They may **not** include salaries of permanent government officials that are paid out of government budgets.

24. *Prior review thresholds.* The Procurement Plan will set forth those contracts which shall be subject to IDA's prior review. All other contracts will be subject to post review by IDA. The initial Procurement Plan agreed with the Borrower for the first eighteen months indicates that the following prior review thresholds will be updated annually. The thresholds are based on the assessment of the capacity and performance of the implementing agency and will be reflected in the updated Procurement Plan as appropriate. The thresholds are applicable to the following: (i) each contract for goods and works procured on the basis of ICB; (ii) the first contract for goods purchased by each implementing agency following NCB, regardless of the value, and thereafter, all contracts estimated to cost US\$300,000 equivalent or more, regardless of the procedure; (iii) the first contract for works following NCB, regardless of the value, and thereafter all contracts for works estimated to cost US\$500,000 equivalent or more, regardless of the procurement method; (iv) each contract for consultant services provided by a firm estimated to cost the equivalent of US\$100,000 or more; (v) each contract for services of individual consultants estimated to cost the equivalent of US\$50,000 or more; and (vi) all contracts for goods procured through Direct Contracting and all contracts for consultant services procured under single source selection.

25. *Post review.* To determine compliance with its procurement procedures, IDA will carry out sample post reviews of contracts that are below the prior review threshold. A post review (ex-post and procurement audit) of contracts below the threshold will constitute a sample of about 20% of the post-review contracts in the project. Procurement post-reviews will be done on annual or semi-annual basis depending on the number of post-review contracts.

26. *Procurement Plan.* The procurement plan for the project, prepared by BFD, has been reviewed and accepted. This plan will be updated annually or as required to reflect the latest circumstances. The following table indicates procurement of some major contracts under the project. The detailed Procurement Plan is available in the project files and Operations Portal.

Goods

Ref No.	Contract Description	Estimated Cost (US\$ thousands)	Selection Method	Review By Bank (Prior/ Post)	Expected Bid Opening Date	Comments
G-1	GPS, communications equipments (video conferencing)	250	NCB	Yes	August 2011	First NCB contract subject to prior review
G-2	Tranquilizer guns with accessories	35	NCB	No	April 2012	
G-3, 9, 17	Computers, laptops and accessories including ICT equipment (servers etc)	300	ICB/NCB	Yes	Nov 2011	More than one contract spread over the project
G-5	Office vehicles (motorcycles, pick ups, 4-wheel drives)	824	ICB/ NCB	Yes	Nov 2011	
G-13	Watercrafts: launch, wooden boat, cabin cruiser, speed Boat, seagoing trawler, country boat with engine	690	ICB	Yes	Nov 2012	
G-7, 19	Wildlife support equipment for BFD, Wildlife Centers, divisional forest offices	350	ICB/ NCB	No	Nov 2012	More than one contract spread over the project
G-15	Veterinary and animal equipment for forensic lab and quarantine	43	NCB	No	Nov 2012	
G-18	Furniture, office equipment, generator, safety gears etc	220	NCB	No	August 2011	More than one contract spread over the project

Works

Ref No.	Contract Description	Estimated Cost (US\$ thousands)	Selection Method	Review By Bank (Prior/ Post)	Expected Bid Opening Date	Comments
W-2	Construction of Wildlife Center	1710	NCB	Yes	Nov 2011	First NCB contract subject to

						prior review
W-3	Extension, renovation of existing offices	530	NCB	No	Nov 2011	
W-4	Construction of wildlife rescue and recovery centers	230	NCB	No	Nov 2011	
W-5	Rehabilitation of existing water supply systems, water sources (tube well, piped supply)	250	NCB	No	Nov 2011	
W-6	New construction and renovation of pontoon and jetty	240	NCB	No	Nov 2012	
W-8	Restoration and repairing of walkways, trail ways, access roads etc.	700	NCB	No	Nov 2012	More than 1 contract spread over time and location
W-34	Construction and renovation of staff barrack, staff dormitory, DFO residences	530	NCB	No	Nov 2012	

Services

Ref No.	Contract Description	Estimated Cost (US\$ thousands)	Selection Method	Review By Bank (Prior/Post)	Expected proposal Opening Date	Comments
S1	Project Manager	150	IC	Yes	Jun 2011	
S2	FM Specialist	150	IC	Yes	Jun 2011	
S3	Accountant/ Disbursement Specialist	150	IC	Yes	Jun 2011	
S4	Procurement Specialist	140	IC	Yes	Jun 2011	
S6	Hiring of firm for providing local technical support	400	QCBS	Yes	Jun 2011	
S7	Hiring of firm for providing international wildlife experts	920	QCBS	Yes	Oct 2011	
S8	Selection of firm for design and supervision of construction and renovation works	150	QBS/ CQS/ FBS	Yes	Aug 2011	
S9	Audit	40	CQS/ FBS	No	Jun 2012	

C. Nepal

Project Administration

27. The Ministry of Forest and Soil Conservation (MOFSC) is the main agency responsible for project implementation. MOFSC will direct the Department of National Parks and Wildlife Conservation (DNPWC) and the Department of Forest (DOF) to implement their respective

project components. The Directors General (DGs) of DNPWC and DOF will report to the Secretary, MOFSC. MOFSC will create a National Project Steering Committee (NPSC) responsible for overall project oversight. The NPSC will be chaired by Secretary, MOFSC and comprise members from DNPWC, DOF, Ministry of Finance, Planning Commission, Member Secretary of NTNC and at least one non-governmental conservation partner.

28. Under the NPSC, a national Project Management Committee (PMC) will be established and co-chaired by the DGs of DNPWC and DOF and include their deputies (DDGs), Executive Officer of NTNC and other invited participants. The DGs will jointly serve as the National Project Directors. The main responsibilities of the PMC are to: (i) make management decisions related to project implementation; (ii) submit annual programs and budgets to NPSC for final approval; (iii) guide the PMU in the implementation of the approved activities; (iv) meet on a quarterly (Bangladesh) or trimester (Nepal) basis to review implementation of project activities and provide guidance/feedback to the project coordination unit (see below); (v) monitor and evaluate project progress and report to the NPSC at least every six months; and (vi) implement directions and guidance issued by the NPSC.

29. To coordinate the project, a project coordination unit (PCU) will be established, to be co-chaired by the DDGs of DNPWC and DOF. The PCU will be responsible for day-to-day coordination of the project components, including technical and fiduciary aspects. The PCU, which will comprise of NTNC staff, will be placed in a location agreed with MOFSC. NTNC was established in 1982 by a legislative act as an autonomous and corporate organization with the mandate to work in the field of nature conservation in Nepal. For over two decades, NTNC has successfully undertaken over 200 small and large projects on nature conservation, biodiversity, cultural heritage protection, ecotourism, and sustainable development. On account of NTNC's substantial experience in the management, coordination and implementation of conservation projects in Nepal – including that of projects financed by development partners, such as the Asian Development Bank (ADB) and United Nations Development Program (UNDP) on behalf of the Government of Nepal – NTNC has been proposed to serve as the Project Coordination Unit for the project. Under a Memorandum of Understanding (MOU) between NTNC and MOFSC, the former will provide the necessary staff and services to the PCU for effective project coordination. The OM for the Nepal program provides detailed project coordination and implementation arrangements. GON has agreed to retain staff during project implementation and preclude their rotation to other assignments, to the extent possible, in order to ensure continuity.

Financial Management

30. NTNC has well established systems and operating practices with policy manuals and personnel administration and financial administration bylaws. NTNC has well established internal control system, a computerized accounting system, well trained staff resources, and a good monitoring and evaluation system. NTNC has established monitoring mechanisms and quarterly reviews of its projects take place on a regular basis. Financial statements of all operations are generated on a quarterly basis. From a fiduciary perspective on the basis of the most recent FM assessment, the FM risk rating is Medium-L.

31. *Planning and budgeting.* The proposed project will follow the procedures of NTNC as provided in its financial administrative by-laws. The by-laws provide for well-defined procedures on planning, budgeting and budget control. With inputs from the field implementation units (FIU), the PCU will prepare an annual work program and budget which will be submitted to the PMC for review. The PMC will then submit the annual work program and budget to NSC for endorsement. Once the program and budget are approved, NTNC will submit them to the National Planning Commission and the Ministry of Finance for inclusion in the Government's budget referred to as the Red Book. A separate identifiable budget head will be defined for the project in the Red Book so that implementation can be tracked and monitored.

32. *Funds management.* The financial administrative by-laws also describe the arrangements for fund releases, fund transfers and cash management system. The roles and responsibilities for fund management are clearly described and adequate control systems are in place. NTNC is adequately staffed with personnel that have the requisite qualification and experience needed for project implementation. A dedicated team of accounting staff will be assigned for the implementation of the project.

33. *Project financial accounting, reporting and internal controls.* In order to ensure that project financial statements are consolidated, NTNC will ensure that separate books of accounts are maintained for the project and accounts are prepared on an accrual basis. NTNC will prepare trimester Implementation Progress Reports (IPRs) which will include Financial Monitoring Reports (FMRs). Accounting information will be regularly updated to generate timely financial reports. NTNC will maintain required ledgers including the Special Designated Accounts Ledger. NTNC's internal control processes will be applied in monitoring the progress of the project in accordance with sound accounting practices.

34. *Internal audits.* NTNC will appoint an internal auditor for a period of three years. The internal auditor will be selected on a competitive basis from the reputed professional accounting firms in the country.

35. *Progress reporting, monitoring and disbursement.* As part of progress reporting, NTNC will submit an Implementation Progress Report (IPR) on a trimester basis which would include a Financial Monitoring Report (FMR) that will provide the disbursement schedule based on cash forecasts for two trimesters. To match the government planning and reporting cycle, the IPR will be produced on a trimester basis and submitted within 45 days of the end of the preceding trimester.

36. *External audits.* NTNC activities are audited by the Office of the Auditor General of Nepal (OAGN). An annual audit report of the proposed project will be submitted within six months of the end of the fiscal year. The audit report of project accounts for the on-going Nepal REDD Readiness Plan (FCPF TF# 094724) implemented by MOFSC was not received by the due date. In accordance with the provisions of BP 10.02 Annex A, an exception by the Vice President of Operational Policy and Country Services and by the Vice President and Controller was approved for the presentation of this operation to the Board while the delayed audit report is awaited. The following audit report would be monitored in IDA's Audit Report Compliance System (ARCS).

Implementing Agency	Audit	Auditors	Audit Due Date
MOFSC/PCU/NTNC	Project Financial Statements (including Special Designated Accounts)	Office of the Auditor General of Nepal	6 months after the end of the fiscal year

37. *Financial management action plan.* An action plan to mitigate the implementation risks was agreed between NTNC and IDA and is summarized below.

Table 3.3 Nepal: Financial Management Action Plan

Action	Responsibility	Completion Date
1. Sign the Memorandum of Understanding (MOU) between MOFSC and NTNC	MOFSC/NTNC	Condition of disbursement
2. Finalize the Operations Manual.	NTNC	Condition of disbursement
3. Prepare program and budget for FY2011/12 and make arrangement for a separate identifiable budget head in the Red Book	NTNC(PCU)/MOF	April 30, 2011

38. *Supervision plan.* Project implementation progress will be closely monitored by NTNC, NPSC and IDA. IDA supervision of procurement and financial management will be carried out as provided in Annex 5.

Disbursement

39. *Allocation of grant proceeds.* Disbursements will be made as specified in Table 3.4, which indicates the percentage of financing for different categories of project expenditures. The total project cost is US\$3 million.

Table 3.4 Nepal: Allocation of IDA Grant Proceeds

Description	Amount in US\$	Financing (In % inclusive of taxes)
Goods, works, consultant services, training and workshops, operating costs for all parts of the project excluding Window 2 of Component 2	1,280,000	100%
Goods, works, consultant services, training and workshops, operating costs for Window 2 of Component 2	1,520,000	100%
PCU/NTNC coordination costs**	200,000	100%
Total Project Costs	3,000,000	100%

* Operating costs would apply to the newly created CITES Secretariat's Wildlife Stockpile Management Unit (WSMU), National Tiger Conservation Committee (NTCC), Wildlife Crime Control Bureau (WCCB) and Secretariat (WLCCBS), Wildlife Forensic Laboratory (WFL), Anti-Poaching Operations Unit (APOU), Wildlife Intelligence Networks (WIN) and Virtual Regional Center of Excellence for Wildlife Conservation (VRCE), all of which are under DNPWC. "Operating costs" include reasonable and necessary incremental expenditures, as

approved by IDA on the basis of budgets acceptable to IDA, incurred by CITES, WSMU, NTCC, WLCCBS, WFL, APOU, WIN and VRCE with respect to project implementation, management and monitoring. These include consultants' remuneration, training, office space, office supplies, utilities, publication of procurement notices, vehicle operation, project audits, travel and supervision costs but exclude the salaries of NTNC staff.

** "Coordination costs" include reasonable and necessary incremental expenditures, as approved by IDA on the basis of budgets acceptable to IDA, incurred by the National Trust for Nature Conservation (NTNC) with respect to project implementation, management and monitoring. These include NTNC staff consultants' remuneration, training, office space, office supplies, utilities, publication of procurement notices, vehicle operation, project audits, travel and supervision costs but exclude the salaries of the Recipient's civil servants.

40. *Disbursement arrangements.* Disbursements from IDA will be based on the requisite reports. To facilitate disbursements, special Designated Accounts (DAs) will be opened in Nepalese Rupees with the Standard Chartered Bank to utilize IDA funds for the purposes of the project. The authorized allocations to the DAs will be equivalent to two trimester cash requirements as per the approved annual work program and budget. NTNC will make payments on behalf of DNPWC and DOF for project activities carried out by these two implementing agencies, based on certified documentation and work completed orders. The DAs will be operated under joint signatures of the Project Coordinator and the Accounts Officer.

41. PCU/NTNC will ensure that the bank/cash books are reconciled with bank statements each month. Supporting documentation will be maintained by PCU/NTNC for at least one fiscal year after the year of final disbursement, and will be available for review by IDA staff and independent auditors.

Procurement

42. Procurement for the proposed project would be carried out in accordance with the IDA Procurement Guidelines (May 2004 with revisions of October 2006 and May 2010); and IDA Consultant Guidelines (May 2004 with revisions of October 2006 and May 2010), and the provisions stipulated in the Financing Agreement. The PCU in NTNC shall be responsible for managing overall project procurement under the guidance of the PMC. The PCU prepared the Procurement Plan on February 7, 2011 which has been reviewed by and agreed with IDA. The final Procurement Plan will be posted in ImageBank and on the project's website. The Procurement Plan will be updated annually or as required to reflect the project's progress, implementation needs and improvements in institutional capacity. A summary of the arrangements is found below, with details in the OM.

Procurement methods

43. *Procurement of goods and works.* The project will support minor works required for the construction or maintenance of foot trails, watch towers, guard posts etc. and procurement of minor office IT equipment, furniture etc. for the PCU and FIUs, and possibly vehicles/motorcycles for supervision needs. Most of these are expected to be small value contracts and would not merit ICB and hence these shall be procured through National Competitive Bidding using local procedures subject to the following exceptions, and using documents approved by IDA. (i) Bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee. (ii) Foreign bidders shall not be precluded from

bidding and no preference of any kind shall be given to national bidders. (iii) Registration shall not be a precondition for purchasing or submitting bids. If a registration process is required by law, a foreign firm declared as the lowest evaluated responsive bidder shall be given a reasonable opportunity of registering, without let or hindrance and there shall not be any restrictions on the means of delivery of the bids. (iv) Bids shall be submitted and opened in public in one place, immediately after the deadline for submission of bids. (v) Qualification criteria (in case pre-qualifications were not carried out) shall be clearly stated in the bidding/proposal documents. (vi) Evaluation of bids/proposals shall be made in strict adherence to the criteria disclosed in the bidding/proposal documents. The report shall be prepared in a format prescribed by IDA and shall be completed before the initial bid/proposal validity period. Rebidding shall not be carried out without the prior concurrence of IDA. (viii) Extension of bid validity shall not be allowed, without the prior concurrence of IDA, for the first extension request if it is longer than four weeks, and for all subsequent requests irrespective of the period.

44. Works estimated to cost less than the equivalent of US\$15,000 and goods estimated to cost less than the equivalent of US\$10,000 may be procured through shopping, in accordance with the procedures described in Section III, Clause 3.5 of IDA's Procurement Guidelines.

45. *Procurement of non-consulting services.* Non-consulting services procured under this project would include preparation and organization of seminars and workshops, limited printing of materials etc. and are not expected to exceed US\$10,000 per contract. Such services shall usually be procured through shopping procedures.

46. *Procurement of consultants.* Activities relating to the development of and operationalizing the MIS, carrying out baseline surveys, mid-term and end-term evaluations; technical, environmental and social audits shall be carried out using the services of consultants. Based on the nature of the assignment, such contracts shall be procured through QBS, QCBS, CQS Least Cost, or Fixed Cost Methods, as appropriate, following the procedures described in IDA's Consultant Guidelines. Single source selection may be employed with IDA's prior approval using procedures described in paragraphs 3.9 to 3.12 of the Guidelines. Services of individual consultants will be procured following the procedures described in paragraphs 5.1 to 5.4 of the Guidelines. For consulting firm contracts that are expected to cost less than the equivalent of US\$200,000 per contract, the shortlist may comprise entirely of national consultants subject to IDA's approval. All terms of reference (TOR) for the selection of firms and individuals and all direct contracts, regardless of value, will be subject to IDA's prior review.

47. *Prior review.* The Procurement Plan (or its updates) approved by IDA shall set forth those contracts that are subject to IDA's prior review based on the specified thresholds. Procurement under the project will be limited only to the items listed in the approved plan. All other contracts will be subject to IDA's post review.

Table 3.5 Nepal: Thresholds for Procurement Methods and Prior Review

Category	Threshold (US\$ equivalent)	Procurement Method	Prior Review
1. Works	>500,000	ICB	All contracts
	>15,000 but < 500,000	NCB	First two contracts

			each year
	< 15,000	Shopping	None
		Direct contracts	All
2. Goods and non-consulting service	>250,000	ICB	All
	>10,000 but < 250,000	NCB	First two contracts each year
	<10,000	Shopping	None
		Direct contracts	All
3. Consultants			
a) Firms	>200,000	QBS, QCBS	All
	<200,000 and >50,000	QBS, QCBS, LCS, CQS	First one under each method
	<50,000	QCBS, CQS, LCS, FCS	None
		Single source	All
b) Individuals	>10,000	IC	All
	<10,000	IC	None

48. *Capacity assessment and remedial actions.* A detailed capacity assessment of NTNC was carried out. The assessment revealed major shortcomings. (i) Although NTNC has an operations manual that includes procurement, many of its provisions are in conflict with those prescribed in the national Procurement Law. (ii) The bid documents currently in use lack many standard clauses; also, one sample document for goods that was reviewed did not specify any qualifications criteria. However, nominal qualification criteria are prescribed in documents used for the procurement of works. (iii) Bid evaluations for goods are done simply on the basis of price comparison. (iv) Procurement plans are not prepared; only a listing of activities is done. (v) The designated procurement official has limited experience. (vi) The system of maintaining procurement documentation and record keeping is reasonable but can be improved.

49. To address these shortcomings, the following measures will be taken: (i) The PCU at NTNC shall include a procurement consultant hired from the market or delegated from another Government agency who has proven hands-on experience of carrying out public procurement. This official shall be in place by project appraisal; (ii) The designated procurement official shall prepare the detailed procurement plan and sample bid documents for goods and works for review and approval by IDA by project negotiations; (iii) Throughout the life of the project, procurement filing shall be done in accordance with the checklist provided by IDA; and (iv) All procurement related actions shall be subject to prior review based on Table 3.5. With the measures described above in place and the application of the review thresholds, the residual procurement risk for the project is rated as Substantial.

50. *Supervision.* In addition to regular monitoring and support, procurement supervision missions will take place at least twice a year including procurement supervisions for post-review.

D. Funding Review Process for Innovative Pilot Projects Submitted to Windows 1 and 2 of Sub-component 2.2

51. The proponents of project proposals under the two windows of Sub-component 2.2 will be responsible for the submission of their respective applications to the Regional Proposal Review Committee (RPRC). The RPRC will have regional representation to ensure that only proposals with regional dimension are funded under the sub-component. The RPRC will comprise representatives from the governments of the participating countries and non-governmental technical experts (who would form a majority of the committee). If a particular proposal presents a conflict of interest vis-à-vis a committee member, the latter will have to recuse oneself from the evaluation and approval process for that proposal. Calls for proposals will be issued annually and applications will be subject to a virtual review by the RPRC. Proposals recommended for funding by a majority of the committee members will be approved.

52. As stated earlier, the funds for Windows 1 and 2 will come from the respective country budgets. Funded proposals, progress reports and final reports will be made available to the public on VRCE's website. The pilot project implementation period will be two years. The proposal review and approval process will consist of two stages. Stage 1 will involve the approval by the RPRC of a concept note with a proposed budget. Once the concept is approved in Stage 1, the proponent will be required to re-submit a more detailed proposal that includes a detailed budget, procurement plan, implementation arrangements and environmental and social safeguards assessments (in accordance with the requirements of the Environmental and Social Assessment and Management Frameworks) for final approval to the RPRC and for concurrence by IDA. Upon approval, funds would be provided to the proponent for the implementation of the pilot project. No funds can be disbursed under this sub-component without the prior approval of IDA. The latter will assess the compliance of the proposals with the overall objectives of the sub-component and their sustainability prior to approval.

E. Governance and Accountability for Bangladesh and Nepal

53. A Governance and Accountability Action Plan (GAAP) has been prepared to promote good governance, transparency, and public engagement. Several areas for governance improvement have been identified: political environment, organizational arrangements, procurement, financial management, monitoring, and accountability arrangements. The GAAP proposes actions for each of these issues, timeline for each action, and responsible agency for implementation. There are also some "early warning indicators" which, if monitored properly, enable timely actions for course correction. The PIU for Bangladesh and NTNC, the PCU for Nepal, will post all information related to the project on their respective websites. They will disclose the following on their websites: project budget; allocations by activity and budget line; details of cash transfers; implementation progress reports (approved versions); and annual audited financial statements. The Recipients would be required to implement the project in line with the January 2011 version of the "Anti-Corruption" Guidelines" for IDA-financed projects.

F. Environmental and Social Safeguards for Bangladesh and Nepal

54. The primary aim of the proposed project is to provide continued support for the conservation and management of critical terrestrial, marine and wetland ecosystems so that wildlife and its habitats will be protected through a series of carefully considered and planned strategic interventions. With conservation as its centerpiece, the project is expected to produce

positive environmental impacts in the long-term. For safeguard purposes, the project has been classified as “Category B” since it is anticipated that some activities would involve minor civil works in areas of high ecological sensitivity and vulnerability; hence, certain short term negative environmental impacts may occur during the implementation phase. These negative impacts are expected to be largely on-site and easily mitigated with proper planning and sound environmental practices. The project will not support the construction of any major new infrastructure within the PA networks. However, considering the sensitivity of the protected area networks in the participating countries, the following environmental safeguard policies are triggered: (i) OP/BP 4.01: Environmental Assessment; (ii) OP/BP 4.04: Natural Habitats; and (iii) OP/BP 4.36: Forests.

55. Some project activities, especially under Sub-component 2.2 may have a direct impact on the communities. While no land acquisition or resettlement in Bangladesh or Nepal would be carried out under the project, livelihood impacts may be felt by communities who have traditionally been using the PAs to support their livelihoods. Therefore, OP/BP 4.12: Involuntary Resettlement will be triggered. Community consultations are an integral part of sub-project preparation and implementation under Sub-component 2.2. These consultations will be carried out as a two-way dialogue rather than a top-down information/awareness campaign. As to the human-wildlife conflict pilots, comprehensive consultations and active participation are critical for pilot project design, planning and implementation for successful outcomes. Consultations with the affected communities, particularly the Indigenous Peoples (IPs) who may inhabit the PA surroundings, are essential. In view of the possible impacts of the project on indigenous peoples, OP/BP 4.10 will be triggered under the project. Initial consultations on the overall scope of the project commenced during project preparation. If other project components are determined to have any negative effects on livelihoods, consultations with communities would be conducted prior to implementation.

56. As details of specific sub-project activities and interventions that may have environmental and social impacts are not yet available, the Governments of Bangladesh and Nepal undertook the preparation of country specific Environmental and Social Management Framework (ESMF) in lieu of project-specific Environmental Impact Assessments (EIAs) as well as project-specific social impact assessments (SIAs). The ESMF primarily includes: (i) an assessment of generic issues typically associated with the proposed interventions; (ii) measures for environmental risk mitigation; and (iii) institutional arrangements for conducting environmental assessments, environmental management plan (EMP) preparation, implementation and monitoring. With regard to social issues, the ESMF primarily includes an assessment of generic issues that may arise during implementation, including measures for social risk mitigation and institutional arrangements for conducting SIAs, implementation and monitoring. Therefore, the ESMF will serve as a template to guide the environmental and social analysis required for all interventions supported by the project that have the potential to trigger negative environmental and social impacts. The project will not fund any relevant activity if a prior EIA/SIA has not been completed in accordance with the ESMF. Therefore, the ESMF will serve as a guide on the level of environmental and social analysis and mitigation required for all interventions supported by the project which may have the potential to trigger negative environmental and social impacts.

57. Since indigenous peoples (IPs) are known to reside around virtually all PAs in Nepal, a framework for the preparation of an Indigenous Peoples Development Plan (IPDP) was prepared as an annex to Nepal's ESMF. The ESMF will serve as a template for the preparation of an IPDP in areas where project activities may impact the indigenous communities.

58. The ESMFs for both countries will ensure the project's compliance with the relevant national laws of Bangladesh and Nepal and IDA's safeguard policies. The ESMFs are available in the project files. Both frameworks were placed for public disclosure in Bangladesh and Nepal on November 8, 2010.

G. Project Monitoring and Evaluation (M&E) for Bangladesh and Nepal

59. The PIU in Bangladesh and the PCU in Nepal will work closely with the M&E Division of MOEF (Bangladesh) and MOFSC (Nepal) on M&E arrangements. Detailed MIS systems will be developed to maintain the project's country-based databases. Baseline surveys, especially on biodiversity status, populations of flagship species before and after project interventions, mid-term and end-of-project evaluations will be carried out by an independent firm that will be subcontracted by the Bangladesh PIU and/or Nepal PCU. Participation of government staff (rangers) in the baseline surveys would be encouraged in order to build local capacity for monitoring. Each unit will contract an independent company to carry out technical, environmental and social audits. The respective implementing agencies will be responsible for real time field based monitoring of the impact of project interventions on biodiversity and the well being of flagship species. Coordination with the GTRP's Global Support Program on Scientific Monitoring would be encouraged. The PIU/PCU will have responsibility for ensuring the monitoring and reporting of the following cross-cutting issues: (i) women's participation and gender equity; (ii) compliance with the environmental and social safeguards frameworks; and (iii) good governance.

Annex 4: Operational Risk Assessment Framework (ORAF)

BANGLADESH AND NEPAL:

First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

Project Development Objective(s): To assist the participating governments to build or enhance shared capacity, institutions, knowledge and incentives to collaborate in tackling illegal wildlife trade and other selected regional conservation threats to habitats in border areas.

PDO Level Results Indicators:	1. Progress towards the development of sustainable regional mechanisms for addressing illegal wildlife trade and other conservation threats.
	2. Development of at least one protocol each on a common research agenda, knowledge sharing, collaboration and division of labor.
	3. Agreement among enforcement agencies on at least two regional protocols, including approaches and solutions.
	4. Implementation of at least three regional pilots or initiatives in wildlife enforcement and conservation.

Risk Category	Risk Rating ⁵⁵	Risk Description	Proposed Mitigation Measures
1. Project Stakeholder Risks			
1.1 Stakeholder	Medium-I	<p>Withdrawal of support or commitment by any government of the participating countries (Nepal, Bangladesh) or those likely to participate (Bhutan, India), due to factors such as opposition by some individuals of considerable influence and some NGOs in India to IDA's involvement in wildlife conservation. Legacy issues also pose reputational risk to IDA.</p> <p>IDA may also be criticized for supporting ineffective or controversial enforcement programs.</p> <p>Stakeholders are likely to have high expectations for quick results and any slow project start-up could create reputational risk to IDA.</p>	<p>1. Continuous dialogue on wildlife conservation with the participating governments.</p> <p>2. TRAFFIC has been engaged in the design/development of Component 1 (capacity building for addressing illegal trans-boundary wildlife trade).</p> <p>3. Regular consultations with conservation NGOs has been and will be carried out throughout project preparation and implementation.</p> <p>4. A proactive communications plan on addressing the illegal wildlife trade and enhancing conservation has been developed and will be adjusted proactively during</p>

⁵⁵ Rating scale: Low = Low impact/Low likelihood; Medium-L = Low impact/High likelihood; Medium I = High impact/Low likelihood; High = High impact/High likelihood

			implementation. 5. IDA will provide intensive implementation support to the implementing agencies.
2. Implementing Agency Risks (including FM & PR Risks)			
	High	The following factors could result in slow implementation: (i) lack of adequate project management capacity within respective ministries and implementing agencies; (ii) number of implementing agencies; (iii) almost non-existent joint decision-making and collaboration within countries and across borders; (iv) possible coordination problems of the regional governance structures; (v) risk of systemic corruption due to lack of capacity in enforcement agencies.	The following mitigation measures would help with coordination and project progress: (i) creation of regional governance structures; (ii) country-based PIU/PCUs to receive significant TA, training and separate implementation budgets; (iii) support for monitoring of overall coordination; (iv) development of regional protocols, enforcement standards, best practice applications and shared knowledge and research; (v) joint adoption of standards and best practices; (vi) actions to mobilize internal and external integrity mechanisms (e.g. third party monitoring); (vii) monitoring of participating countries' compliance with their commitments to international treaties; (viii) support to implementation and monitoring of GAAP shown in Annex 7; (ix) proactive disclosure of important information on project activities and agency performance; and (x) promotion of communications strategy to improve transparency and demand for good governance.
3. Project Risks			
3.1 Design	High	<p>The need for multiple agencies and for increased regional cooperation vis-à-vis wildlife protection has resulted in a somewhat complex project design with a large number of activities in each country. Slow decision making by the participating governments and respective implementing agencies to agree on consistent implementation arrangements (e.g. testing of new methodologies for detection and repression of illegal trade) may delay preparation and implementation.</p> <p>The design of the competitive funding mechanism for PA, RF/FR and NG management and innovative pilot projects precludes meaningful community consultations until proposals for the funding windows are developed.</p>	<p>1. Project activities – with regional scope and impact – will be implemented within the countries. The project design will be flexibly adapted based on implementation experience; this would also apply to the readiness of SAWEN to become operational.</p> <p>2. High level steering committees in each country will facilitate coherence and coordination. In addition, the Regional Policy Steering Committee and the Operational Steering Committee for Regional Coordination will provide coherence in the approach across the participating countries.</p> <p>3. Active and ongoing consultations with local</p>

		<p>The space for consultations with community and civil society organizations during the project preparation stage was limited due to extended religious holidays and activities in the participating countries during September-November 2010.</p>	<p>communities are an integral part of the design and preparation of the proposals for the funding windows. As part of the project's integrity mechanisms, third party monitoring by NGOs and civil society will be carried out.</p> <p>4. Consultations with conservation NGOs commenced during preparation but will be continued and expanded to include civil society organizations and communities in potential project sites before Board presentation.</p>
3.2 Social & Environmental	Medium-L.	<p>Project activities include capacity building (training, regional database creation and monitoring, information and intelligence gathering and data sharing protocols), forensic improvements, communications infrastructure and investments resulting in regional benefits.</p> <p>In Nepal, conflict between indigenous peoples and the project may arise due to varying interpretations of the ILO Convention 169 on the rights of indigenous peoples.</p> <p>Tensions between conservation efforts and traditional forest-based livelihood patterns of local communities may emerge.</p>	<p>1. Only works with no irreversible safeguard implications will be carried out in the project.</p> <p>2. The project will not support the construction of new major infrastructure in the PA networks. (Also, there will be no investments in wildlife habitats in India, if it were to participate in the project.)</p> <p>3. A screening mechanism and a negative list of investments are being considered or developed.</p> <p>4. Project implementation will include periodic consultations as well as information and education campaigns with relevant stakeholders. MOFSC/MOEF will conduct policy dialogue on benefits-sharing regime with the goal of shifting benefits to affected communities.</p>
3.3 Program & Donor	Medium-L	<p>Implementing agencies may not have the commitment and capacity to sustain the activities of SAWEN or those related to meeting CITES requirements or other international protocols after project completion.</p>	<p>1. Arrangements for the regional mechanism, including the readiness of SAWEN to become operational under Component 1, will be managed judiciously during preparation and implementation.</p> <p>2. The project will support the development of analytical and operational protocols toward meeting CITES requirements and strengthening linkages with other international efforts.</p>
3.4 Delivery Quality	High	<p>Capacity of the implementing agencies to manage implementation schedule and implementation milestones may remain weak, also representing a risk to the sustainability of the gains made under the project. Implementing agencies have limited capacity for contract management. Also, they may not sustain</p>	<p>1. Project will support capacity building for M&E, as well as for contract management.</p> <p>2. PMUs in the participating countries will be embedded as much as possible in existing institutions, and practices and standards will be</p>

		<p>the M&E capacity built during implementation.</p> <p>Future funding to sustain the project is not assured.</p> <p>Sustainability of enhanced integrity mechanisms and regional harmonization is not assured.</p>	<p>mainstreamed.</p> <p>3. Three types of actions will be pursued to address funding risks: (i) dialogue with governments on future budget allocations to implementing agencies throughout implementation; (ii) future funding through partnerships with international NGOs and global initiatives that would be part of the mandates of the implementing agencies; and (iii) possible use of ecotourism revenues to finance a proportion of the enforcement costs.</p>
--	--	---	---

Overall Risk Rating at Preparation	Overall Risk Rating During Implementation	Comments
High	High	<p>The “high” risk rating during project preparation is associated with the multiplicity of implementing agencies with weak capacity, the need to mobilize strong integrity mechanisms to tackle illegal wildlife trade at the national and regional levels and the risk of systemic corruption (i.e., bribery) in targeting illicit wildlife trade.</p> <p>The “high” risk rating during implementation is associated with the project’s complexity, weak capacity of the implementing agencies, introduction of new approaches to facilitate regional harmonization, create regional enforcement standards, develop best practice applications and share successful schemes, and the risk of systemic corruption.</p>

Annex 5: Implementation Support Plan

BANGLADESH AND NEPAL: First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

A. Strategy and Approach for Implementation Support

1. The strategy for implementation support has been developed based on the nature of the project and its risk profile. It will aim at making implementation support to the client more flexible and efficient, and will focus on implementation of the risk mitigation measures defined in the ORAF.

- *Procurement.* Implementation support will include: (a) providing training to procurement staff of the PIU/PCUs; (b) reviewing procurement documents and providing timely feedback to the PIU/PCUs; (c) providing detailed guidance on IDA's Procurement Guidelines to the PIU/PCUs; and (d) monitoring procurement progress against the detailed procurement plan.
- *Financial management.* Supervision will review the project's financial management systems, including but not limited to, accounting, reporting and internal controls. Supervision will also cover pilot projects on a random sample basis.
- *Governance.* The IDA team will supervise the implementation of the agreed Governance and Accountability Plan and provide guidance in resolving any issues.

B. Implementation Support Plan

2. Because this is a high risk project with extraordinary visibility vis-à-vis external partners and substantial work and follow-up are needed during implementation, the IDA team would need significant resources (above the norm) to carry out proper implementation support. Most of the IDA team members will be based in the Bangladesh and Nepal country offices to ensure timely, efficient and effective implementation support to the clients. The Task Team Leader is based in the South Asia Region. Formal supervision and field visits will be carried out semi-annually. Detailed inputs from the IDA team are outlined below:

- *Fiduciary requirements and inputs.* Training will be provided by IDA's financial management and procurement specialists to the two PMUs before the commencement of project implementation. The IDA specialists will also help the two PMUs to identify capacity building needs to strengthen financial management capacity and to improve procurement management efficiency in participating agencies, where applicable. Since the financial management and procurement specialists are based in the country offices, they are expected to provide timely support. Formal supervision of financial management will be carried out semi-annually, while procurement supervision will be carried out on a timely basis as required by the clients.
- *Safeguards.* Inputs from the environment and social specialists are required, though the project's social and environmental impacts are limited and client capacity is generally adequate. Training of relevant staff from the implementing agencies is required on

environmental monitoring and reporting. Depending on the scope of the pilot projects under Component 2, community/civil society consultations may require the inputs of the social specialists. Field visits are required on a semi-annual basis. The social and environmental specialists are based in the country offices.

- *Operation.* Operations officers, based in the country offices will provide day-to-day supervision of all operational aspects as well as coordination with the clients and among IDA team members.

3. The main focus of implementation support for both countries is described below. Other experts (e.g. wildlife trade, governance) would be tapped as needed.

Time	Focus	Resources Estimate	Partner Role
First Twelve Months	Procurement review and training	Procurement Specialists 8 SWs	NA
	FM review and training	FM Specialists 8 SWs	NA
	Environmental supervision	Environmental Specialists 4 SWs	NA
	Social supervision	Social Specialists 4 SWs	NA
	Supervision of technical and implementation arrangements	Operations Officers 16 SWs	TBD
	Team leadership	TTL 10 SWs Co-TTL 6 SWs	NA
	Communications	Communications Spec. 6 SWs	TBD
12-56 Months	Procurement review and supervision	Procurement Specialists 4 SWs	NA
	FM review and supervision	FM Specialists 4 SWs	NA
	Environmental supervision	Environmental Spec. 3 SWs	NA
	Social supervision	Social Specialists 3 SWs	NA
	Technical and implementation arrangements	Operations Officers 16 SWs	TBD
	Team leadership	TTL 10 SWs Co-TTL 6 SWs	NA
	Communications	Communications Spec. 4 SWs	TBD

Note: SW = staff week

4. Staff skills mix required is summarized below.

Skills Needed	Number of SWs	Number of Trips	Comments
Procurement Specialists	8 SWs first year and then 4 SWs annually	Field trips as required	Country office based
FM Specialists	8 SWs first year and then 4 SWs annually	Field trips as required	Country office based
Environmental and Social Specialists	8 SWs first year and then 6 SWs annually	Field trips as required	Country office based
Operations Officers in Bangladesh and Nepal	16 SWs first year and then 8 SWs annually	Field trips as required	Country office based
TTL/Co-TTL	16 SWs first year and then 16 SWs annually	2 trips annually	Colombo and Washington
Technical, Communications, Operations staff/consultants	22 SWs first year and then 20 SWs annually	1 trip annually	Country offices and Washington

Annex 6: Team Composition

BANGLADESH AND NEPAL: First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

IDA staff and consultants who worked during project preparation:

Name	Specialty	Inst. Code.
Sumith Pilapitiya	Lead Environmental Specialist (TTL)	SASDI
Sascha Djumena	Regional Specialist (Co-TTL)	SACIA
Richard Damania	Lead Environmental Economist	LCSN
Marinela Dado	Sr. Operations Officer	SASDI
Juan Blazquez Ancin	Sr. Knowledge Management Officer	SARDE
Shakil Ahmed Ferdausi	Sr. Environmental Specialist	SASDI
Anupam Joshi	Environmental Specialist	SASDI
Darshani DeSilva	Environmental Specialist	SASDI
Stephanie Borsboom	Operations Officer	SASDI
Siet Meijer	Operations Analyst	SASDI
Klas Sander	Natural Resources Economist	ENV
Hannah Behrendt	Consultant	ENV
Suresh Ramalingam	Communications Officer	SAREX
Hiran Herat	Project Implementation (Consultant)	SASDI
Daniel Gross	Social Development (Consultant)	SASDI
Surendra K. Agarwal	Operations (Consultant)	AFTQK
Priya Chopra	Program Assistant	SASDI
Venkateswaran Rama Krishnan	Sr. Financial Management Specialist	SARFM
Bigyan Pradhan	Sr. Financial Management Specialist	SARFM
Md. Mahbubur Rahman	Financial Management Specialist	SARFM
Sushil Kumar Bahl	Sr. Procurement Specialist	SARPS
Marghoob Bin Hussein	Sr. Procurement Specialist	SARPS
Kiran R. Baral	Sr. Procurement Officer	SARPS
Kumaraswamy Sankaravadevelu	Procurement Specialist	SARPS
Kishor Uprety	Sr. Counsel	LEGES
Yuan Tao	Counsel	LEGEN
Roland Lomme	Program Manager/ Governance	SACIN
Keshav Varma	Special Project Advisor	WBIUR
Agata E. Pawlowska	Sr. Operations Officer	CFPIR
Qiang Cui	Operations Officer	CFPIR
Tenzin Dolma Norbhu	Senior ICT Policy Specialist	CITPO
Anil Chitrakar	Consultant	CSADP
Chaohua Zhang	Sr. Social Sector Specialist	SASDS
Hiramani Ghimire	E T Consultant	SASGP

Annex 7: Governance and Accountability Action Plan (GAAP)

BANGLADESH AND NEPAL: First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

Introduction

1. The project aims at strengthening the regional governance framework of wildlife conservation by improving the protection and management of protected areas with regional conservation threats to habitats in cross border areas, effectiveness of border control and customs administrations as well as of international mechanisms against illegal trade. In that respect, it would develop national and international integrity mechanisms through setting regional enforcement standards, developing best practice applications, sharing successful field schemes and knowledge/research across the "supply" region with a view to substantially and comprehensively decreasing the trade in illegal wildlife.

Key governance issues in the project

2. Cross-border wildlife illicit trade involves a chain of different criminal activities, from poaching to money laundering through smuggling, particularly challenging to prevent and repress. Land conflicts (rights to forest reserves for adjacent communities), lack of capacity, jurisdiction and active complicity of enforcement authorities (reserve wardens, customs administration, border control, police, judiciary), legal loopholes, and poor public security (to deal with criminal gangs) are all potential governance deficiencies which foster the supply of poached protected animals. Political protection of individuals and groups engaged in illicit trade obtained mostly through influential political parties is a further problem.

3. Accordingly, the project will fund the mapping of vulnerabilities of enforcement mechanisms along the whole trade chain, from poaching to the laundering of the proceeds of the illicit sale of wildlife. Such a mapping exercise will rest on consultations with all stakeholders and will identify enforcement weaknesses, and other institutional inefficiencies, and mitigation measures. The mapping will be coordinated by the regional PMU.

4. The mapping of vulnerabilities will seek to mitigate the risk of fraud and corruption (active or passive) within enforcement agencies. To that effect, it will mobilize country integrity and accountability mechanisms and institutions (such as anti-corruption, national vigilance mechanisms (e.g., National Vigilance Center in India and Nepal), public information, grievance redressal, internal and external audits) and citizens' oversight (e.g., social audits).

5. The project will facilitate the coordination mechanisms between enforcement authorities (police, judiciary, park wardens, customs, border control, tax administration, forest offices) at the national and regional level, and promote the institutionalization of such coordination. Accountability relationships between these agencies will be defined in clear terms.

6. The regional coordination mechanisms will assist the South Asia Co-operative Environment Program (SACEP) in fulfilling its commitment to support the institutional development of the newly established South Asia Wildlife Enforcement Network (SAWEN) as and when requested by the countries participating in the project. The former will coordinate with the latter on the elaboration of training programs and materials and their dissemination. In that respect, it will explore the suitability of the ASEAN Wildlife Enforcement Network's (ASEAN-WEN) newly developed Training Management Packages and Manuals for enforcement agencies (Enforcement Ranger Manual, Nature Crime Investigators Manual, Wildlife Trade Regulation Course, Judicial Workshops, etc.).

7. The project will involve civil society organizations and local communities in its activities. Several CSOs are already quite effectively mobilized against illicit wildlife trade, at the national and international level. The project aims at institutionalizing their involvement for two purposes: (1) at the local level, to help identify and mitigate the risk of poaching by communities living adjacent to protected areas; and (2) at the regional level, to help monitor wildlife illicit trade.

8. CSOs will be closely involved in identifying the vulnerability of protected areas to poaching by neighboring communities. They will explore ways to resolve potential or actual conflicts between wildlife conservation and communities' livelihood (including by looking for alternative livelihoods). The media will play an important role in this effort.

Objectives of GAAP

9. The GAAP's main objective is to contribute towards strengthening governance and anti-corruption systems in the project. It will achieve this objective by:

- ensuring resources allocated by the project are spent for the intended purposes and directed to the beneficiaries of the project;
- strengthening coordination between different national and international agencies; and
- improving feedback mechanisms between beneficiaries, civil society, and project authorities.

Scope

10. Several areas for governance improvement have been identified: political environment, organizational arrangements, procurement, financial management, monitoring, and accountability arrangements. The GAAP proposes actions for each of these issues, timeline for each action, and responsible agency for implementation. There are also some "early warning indicators" which, if monitored properly, would enable timely actions for course correction.

Monitoring arrangements

11. The GAAP will be monitored regularly against agreed actions which will be reflected in the project's periodical progress reports and aide-memoires. This will be a joint responsibility of PMUs, NPSCs and the Bank. The GAAP matrix will be used widely for monitoring purposes. In addition, any 'early warning' indicators of governance and accountability risks will be monitored regularly so that corrective measures could be carried out promptly.

Governance and Accountability Action Plan

Area of work	Issues likely to affect project performance	Actions to address the issues	Responsible agency	Timeline	Early warning signs
Regional cooperation and collaboration					
Effective regional collaboration in project implementation	<p>Inadequate communication between relevant authorities at the regional level affects coordination between them</p> <p>Operational disputes lead to delays in project activities</p>	<ul style="list-style-type: none"> Regular meetings of regional coordination committees will take place both at the policy and operational levels. Regional committees will have rotating Chair between participating countries to ensure close coordination. The Regional Policy Steering Committee (RPSC) with representation from relevant ministries in participating countries will also function as a dispute handling mechanism. Coordination and cooperation among enforcement agencies at the regional and national levels will be strengthened through better communication and exchange of information. 	RPSC	Throughout implementation	<p>Coordination meetings do not take place on time or representation is not at the appropriate level.</p> <p>Poor exchange of information over a long period</p>
Effective enforcement of policies	Mechanisms to enforce laws/policies to check cross-border wildlife illicit trade are weak in participating countries	<ul style="list-style-type: none"> Vulnerability of enforcement mechanisms for tackling illicit trade will be mapped at national and regional levels. The mapping exercise will seek cooperation from relevant international organizations working on wildlife conservation. Civil society organizations and communities living adjacent to conservation areas will be involved in monitoring project activities to strengthen information and accountability systems. 	PIU/PCU	Throughout implementation	<p>Complaints by stakeholders about the lack of opportunities to participate in monitoring</p> <p>Poor response of relevant stakeholders in vulnerability mapping</p>
National institutional governance					
Coordination in project implementation at the national level	Weak interaction between law enforcement authorities.	<ul style="list-style-type: none"> Each participating country will create National Project Steering Committee (NPSC), comprising agencies and institutions responsible for wildlife conservation and control of illegal wildlife trade, which will provide policy directions to ensure necessary inter-agency coordination. 	NPSCs PIU/PCU	Throughout implementation	<p>Project entities complain about clarity of roles</p> <p>Poor exchange of information between project entities</p>

Area of work	Issues likely to affect project performance	Actions to address the issues	Responsible agency	Timeline	Early warning signs
		<ul style="list-style-type: none"> Coordination mechanisms among police, judiciary, park wardens, customs, border control, tax administration, forest offices at the national level would be established. Accountability relationships between these agencies would be defined clearly. 			
Capacity building	<p>Inadequate implementation capacity of government agencies responsible for wildlife protection.</p> <p>Project staff are transferred frequently (a general problem in Nepal)</p>	<ul style="list-style-type: none"> Wildlife crime control agencies will be established and strengthened to address both the domestic challenges in wildlife crime and to increase cooperation among project/partner countries to address cross border illegal wildlife trade. Capacity support will be provided in cross border landscapes covering organizations enforcing national legislation in wildlife protection and illegal wildlife trade control (especially in Nepal and Bangladesh that have sound legislation but poor implementation capacity). Relevant provisions of Civil Service Act will be enforced to protect project staff. 	RPSC NPSCs PIU/PCU		<p>Establishment of crime control agencies is delayed</p> <p>Media reports about weak enforcement of policies</p>
Policy/Political environment					
High-level policy/political support to the project	Undue political influence to protect illegal wildlife trade activities weakens sound management systems	<ul style="list-style-type: none"> Regular briefing to political leaders across the political spectrum on project activities will be held. CSOs in project areas strengthened to regularly monitor and report on illegal poaching and trade. 	NPSCs PIC/PCU	Throughout implementation	Poor relations between political leaders and project management
Accountability and Anti-corruption	Corruption within participating agencies affects project activities and outcomes in project activities	<ul style="list-style-type: none"> Corruption mapping will be done to understand the risk of fraud and corruption within enforcement agencies. Adoption and implementation of mitigation strategies will be undertaken. Country integrity and accountability mechanisms and institutions (such as anti-corruption, national vigilance mechanisms (e.g. National Vigilance Center in Nepal) will be mobilized in specific cases of corruption depending on their nature. Social audit of project activities will be encouraged. 	NPSCs PIU/PCU	<p>Sept 2011</p> <p>Throughout implementation</p> <p>Throughout implementation</p> <p>Sept 2011</p>	<p>Level of grievances about corruption increases</p> <p>Social audits identify irregularities in project operations.</p>

Area of work	Issues likely to affect project performance	Actions to address the issues	Responsible agency	Timeline	Early warning signs
		<ul style="list-style-type: none"> Grievance handling systems will be put in place their use will be monitored. 			
Support from all communities conservation initiatives	<p>Conflict between local people and project due to varying interpretations of ILO 169</p> <p>Tensions between conservation efforts and traditional forest based livelihood patterns of local communities</p>	<ul style="list-style-type: none"> Periodic consultations and information and education campaigns with relevant stakeholders, including electronic media, will be carried out. MoFSC/MOEF will conduct policy dialogue on benefits-sharing regime with the goal of shifting benefits to affected communities. 	<p>PIU/PCU</p> <p>NPSCs</p>	Sept 2011	Local level public protests or media reports
Procurement					
Procurement capacity	<p>Low capacity within respective agencies slows down procurement processes.</p> <p>Weak monitoring of procurement process.</p>	<ul style="list-style-type: none"> Operations manual will provide guidelines for managing procurement process. The manual will be translated into local languages for easy reference and will be disseminated at all levels of project implementation. Procurement training will be provided to the PIU/PCU engaged in the project. Project-specific training will be provided during the initial stage of project implementation. All procurement related records and documentation shall be filed and made available for internal audit and procurement post reviews by the Bank. 	PIU/PCU	<p>Sept 2011</p> <p>Nov 2011</p> <p>Throughout implementation</p>	<p>Delays in procurement</p> <p>Reports about poor competition in procurement</p>
Contract management	<p>Weak contract management may lead to corruption</p> <p>Missing or weak quality control systems</p>	<ul style="list-style-type: none"> Contract staff will be hired for the PIU in Bangladesh and the NTNC in Nepal who have the requisite experience. The values of contracts are expected to be low in the project and the PIU/PCU will have designated staff to supervise the contract management and shall monitor all procurement activities. Quality inspection of works shall be carried out by the PIU/PCU. All payments will be documented in the CIGAS. 	PIU/PCU	Throughout implementation	

Area of work	Issues likely to affect project performance	Actions to address the issues	Responsible agency	Timeline	Early warning signs
Financial management					
Sound financial management systems	<p>Poor capacity to manage finances (e.g. low capacity and high workload in respective agencies) may slow down the overall financial management including timely transactions</p> <p>Asset management is weak so that goods procured may be misused</p>	<ul style="list-style-type: none"> The project will have full-time financial management specialists in the PIU/PCU of the participating countries. Financial management training will be provided to the PIU/PCU staff engaged in the project and a project-specific training will be provided during the initial stage of the project implementation. Payment for goods shall be made only after inspection of goods on receipt. Guidelines for financial management are provided in the operations manual, which will be translated into local languages for easy reference and will be disseminated to all levels of project implementation. Comprehensive asset registers shall be maintained by various levels of the implementing agencies in participating countries. PIU/PCU will undertake periodic reviews of assets. Assets will be also subjected to Bank's post review. All financial transactions of the project will be audited internally and externally. 	PIU/PCU	Throughout implementation	<p>Backlog of internal and external audits</p> <p>Weak financial reporting</p>
Monitoring and evaluation					
Results frameworks	<p>Results are poorly defined</p> <p>Inadequate dissemination of results</p>	<ul style="list-style-type: none"> Project outputs and outcomes will be defined clearly with measurable indicators to assess performance. Project outcomes will be publicized widely with lessons learned. 	PIU/PCU NPSCs	Throughout implementation	Media reports about poor performance of project activities
Quality assurance systems	Weak quality assurance mechanisms	<ul style="list-style-type: none"> Project beneficiaries will be involved in monitoring project activities. Third party monitoring (e.g. public hearing) will be encouraged in project activities. 	PIU/PCU	Throughout implementation	
Time lines	Slipping deadlines for specific outputs	<ul style="list-style-type: none"> Early warning indicators will be put in place for important milestones. 	PIU/PCU	Throughout implementation	
Transparency and accountability					
Public access to information	Lack of transparency and access to information hinders citizens' participation in project activities	<ul style="list-style-type: none"> All project information will be available on project website. Other media, including newspapers and 	PIU/PCU NPSCs	Throughout implementation	Public complaints about lack of adequate information on project

Area of work	Issues likely to affect project performance	Actions to address the issues	Responsible agency	Timeline	Early warning signs
	<p>Lack of user-friendly information materials</p> <p>Project authorities are not used to pro-active communication which limits the transparency of the process</p>	<p>electronic media, will also publicize information</p> <ul style="list-style-type: none"> • Brief, accessible brochures will be available for the public in different languages based on location of project activities. • RTI-consistency of project operations will be assessed every six months. • The guidance and methodologies for disclosure are captured in the project operations manual • Each participating government will designate an Information Officer in accordance with the country's RTI law to facilitate public's access to information 	NPSCs	Sept 2011	activities
Stakeholder participation and consultation	<p>There are not enough opportunities for stakeholders to participate</p> <p>Project entities do not formally engage the conservation community within the sector</p>	<ul style="list-style-type: none"> • The project will create forums through which stakeholders participate in planning, monitoring and evaluation activities. • Project will regularly disclose information and consult with the public during the implementation, including the conservation community. Initial consultations have commenced during project preparation but much more active consultation is needed. • The conservation community may be invited to participate in project decision-making through the NPSC. • Local communities will be consulted and involved in the design of proposals on investments in the protected areas and on innovative projects to address the human wildlife conflicts. 	PIU/PCU NPSCs	Throughout implementation	<p>The conservation community is explicitly unhappy about project activities</p> <p>Local communities complain about not being consulted on project activities</p>

Annex 8: Staff Capacity Building and Training Program

BANGLADESH AND NEPAL: First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

1. This annex was prepared by TRAFFIC, the global wildlife trade monitoring network.⁵⁶

A. Design Brief

Introduction

2. Lack of adequate capacity is a major handicap for enforcement agencies engaged in curbing wildlife crime and illegal trade across Asia. Training as a tool for capacity building to improve law enforcement, has to be accurately targeted to the correct user groups i.e. those that carry out actual enforcement of the law. In order to address this need adequately and address the wider issues of building in-house capabilities and better coordination amongst enforcement agencies, it is important to begin with an assessment of existing capacity in wildlife law enforcement and identify where the gaps in capacity and knowledge are.

Needs assessment methodology

3. A needs assessment can be carried out in a number of ways including face-to-face interviews, surveys or workshops. Design should be participatory; that is, they should include representatives of key stakeholder groups from the start. Once the approach has been agreed upon, the target audiences of the assessment need to be identified and the questions to be asked need to be determined. There is a great deal of benefit to carry out such a needs assessment at a workshop. This ensures all agencies are involved in the process at the same time and leads to a greater understanding between agencies of their needs, and is also a good starting point for 'buy-in' to building better inter-agency co-operation. Although organizing a workshop can be time consuming and costly, it does mean that the results of the needs assessment are obtained more quickly and the level of input from each agency is much higher than would have been obtained by survey alone.

Target Audiences

4. Representatives from all law enforcement agencies that are responsible for wildlife conservation and the control of the illegal wildlife trade are the target audience. Within each agency, it is important to get feedback from staff from different levels of the organization – those who carry out the work on the ground, middle management and senior management. Consideration also needs to be given to related sectors of government that are responsible for allocation of resources for such activities. The assessment looks to establish a baseline of information from which an integrated multi-agency capacity building program can be designed.

⁵⁶ TRAFFIC's website address: <http://www.traffic.org>.

Problem assessment

5. The needs assessment should include both analysis of the problem to be tackled and review of current capacity to address the problem. For the problem assessment, a rapid evaluation of historical, current and project wildlife trade trends should be carried out and it ought to include both legal and illegal components of the trade, species involved, conservation impacts, trade and value chain overview, related private sector structures and any information on responses to date to past regulatory or non-regulatory (e.g., awareness raising interventions by government and civil society).

Capacity review

6. It is necessary to gather information on the roles and functions of each agency and their involvement in wildlife conservation and combating illegal wildlife trade. This request for information can be broken down into a number of sections, such as:

- Levels of staff within the agency
- Levels of resources (human/equipment)
- Organization of the agency (intelligence/investigations/operations)
- Levels of cooperation, coordination and collaboration with other agencies (joint investigations/operations)
- Knowledge of the roles and responsibilities of other agencies
- MOUs, treaties or agreements with other agencies
- Relevant legislation in force (and identify any gaps)
- Penalties available (are they sufficient?)
- Levels of knowledge (CITES, species identification/ investigative procedures, case files, legislation, levels of illegality)
- Levels of training received (and any planned for the future)
- Availability of tools (ID materials/forensic)
- Information gathering mechanisms
- Information recording systems
- Information exchange mechanisms (nationally and internationally)
- Analysis of data
- Constraints

7. It is also very useful to have a good understanding of the levels of knowledge and capacity of prosecutors and the judiciary. If deterrents to illegal activity are to be increased, this sector must be better informed of the seriousness of wildlife crimes, therefore carrying out a needs assessment and providing information to judges, prosecutors and advocates is of vital importance.

Results

8. The results of the needs assessment will inform the structure of the capacity building program and highlight new ways to improve the ability of agencies to combat illegal wildlife

trade and carry out wildlife conservation work. These may include the establishment of a focal point within each agency or setting up a national multi-agency task forces. Such effort would encourage cooperation between agencies and can play a vital oversight role.

9. Multiple agency training is also recommended – where possible different agencies should be trained together, as this greatly enhances inter-agency co-operation. It is important to provide feedback to the agencies which participated in the needs assessment, which can be in the form of a capacity building action plan, including monitoring and evaluation components.

10. It is also useful to share between all the participating agencies a summary of what each agency's remit is, its roles and responsibilities, and useful contact points within each agency.

B. Wildlife Trade Enforcement Training: Development of a Generic Program Outline

11. This generic Wildlife Law Enforcement Training Program is in a modular format and encompasses all the key elements required to deliver effective compliance with wildlife conservation legislation related to wildlife trade. The Program is intended for use as a template which can be tailored for use in individual countries or regions.

12. Development of a generic outline for a wildlife trade law enforcement program faces some inherent challenges. In particular:

- The drivers for wildlife use vary enormously from country to country (and within countries) and between different commodity groups. In some cases local consumption is a major factor, while in others, urban markets play a key role and, in others, the trade is largely driven by exports to other countries. The challenges of law enforcement can be very different in these different circumstances.
- The nature of wildlife trade policy and law varies enormously from country to country (and even within countries) – from total prohibition of consumptive use of major wildlife groups to management programs aimed to ensure sustainable trade and prescribed benefit flows.
- The nature of government structures differs greatly from country to country. The specific legally-mandated roles of nature protection, forest and fisheries management bodies, overseas trade departments, police, Customs and other institutions can be fundamentally different in different national settings.
- Enforcement resources, in terms of staff numbers, basic education, facilities and finance and the relative importance given to wildlife crime among other enforcement priorities again vary greatly from country to country.

13. Training schemes by their nature need to be tailored to specific circumstances and needs, available time and resources and a range of other guiding factors. This generic structure can therefore only provide some basic guidance on scope of subject matter, organization of themes and basic methodology.

Structure

14. The program outline presented in the following section is organized under the following overall structure:

- Module 1: Introduction to wildlife trade
- Module 2: Understanding wildlife trade policy, law and regulation
- Module 3: Understanding illegal wildlife trade and shaping the response
- Module 4: Species identification and wildlife forensics
- Module 5: Practical field skills for wildlife law enforcers
- Module 6: Law enforcement action: case development and intervention
- Module 7: Law enforcement action: managing legal proceedings

15. The specific outlines for the above modules are included in the project's OM.

C. Guidance Notes

16. The following general comments may assist any future efforts to develop this generic model for use in specific regional, national or local circumstances:

- Any wildlife trade training package must be tailored to the local governance, legislative and institutional situation.
- A needs assessment process is an important first step in development of a tailored training package – involving key stakeholders from regulatory and enforcement agencies from relevant sectors (wildlife, fiscal, health etc.).
- Needs assessment will reveal institutional issues beyond training requirements, such as the need for standard operating procedures or action flow charts for wildlife trade work within individual agencies.
- Existing knowledge and skills levels will vary greatly. Based on needs assessment results the choice of subject areas from the generic outline provided and the grouping of subjects will need to be adjusted accordingly.
- A practical, hands-on approach to training is vital. Practical exercises within the training modules help develop real, sustained skills and knowledge transfer.
- Training package content may need to be tailored differently to different agencies involved – in few cases will staff from one agency be involved in all aspects of the enforcement disciplines covered by the outline provided in the present document.
- It is acknowledged that there are some overlaps in content between the modules outlined, with certain themes or topics arising repeatedly in different contexts. Some overlaps can assist the training process, but others may be avoided during tailoring of the modules to specific local circumstances.
- Training delivery may be achieved by the inclusion of one-off events, short-courses, or regular job reinforcement in general agency training curricula or other approaches suitable for local settings.
- Delivery of all seven modules presented in this outline could be implemented over a rough time span of 10 days. With practical exercises, field trips and assessments included, this might stretch to 15 days.

- Trainers may be drawn from within the target agencies, through government-to-government assistance, local and international NGOs and specialised training academies. In many cases, “train the trainers” approaches may be appropriate to ensure multiplication and sustainability of delivery. As a general rule, enforcers respond best to training by fellow enforcement professionals.
- Participation in training courses should be as far as possible focused on staff that will be responsible for delivery of enforcement action.
- Participating agencies should make efforts to ensure transfer of skills during staff succession.
- Training materials should be provided in formats that allow use by participants as on-going reference sources to course materials, further reading and key contacts.
- Monitoring and evaluation of training results and impacts should be ensured.
- Consideration should be given to gain accreditation for wildlife trade enforcement training under national qualification schemes.

Annex 9: Economic Analysis

BANGLADESH AND NEPAL: First Phase of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia

Background

1. Quantification of the economic benefits of wildlife conservation is a challenge. Despite that, there is strong evidence that conserving natural ecosystems and the species that sustain them makes economic sense. Wildlife conservation brings a wide range of benefits, from indirect and intangible benefits, such as existence and bequest values to direct tangible economic values, most importantly income derived from and through ecotourism. Because wildlife conservation requires management of wider ecosystems as habitats, “secondary” effects result from conservation investments. They include, most notably, watershed services, and soil conservation, climate change mitigation and adaptation and cultural heritage.
2. The project proposes to address the mitigation of a regional public bad (illegal wildlife trade across borders) with the supply of these “goods” being found throughout South Asia. Because the “supply” is located physically in border straddling areas (India/Nepal, India/Bhutan, India/Bangladesh), adopting and pursuing a regional approach seems to be the most sensible solution to combating illegal wildlife trade and promoting habitat management/conservation. Creating regional enforcement standards, developing best practice applications and sharing successful schemes and knowledge/research across the “supply” region is the only viable way to substantially and comprehensively decrease the in illegal trade.
3. The direct use values of biodiversity arise from both commercial and non-commercial activities. While commercial uses – most importantly, timber – are important to domestic and international markets, non-commercial direct uses are limited, for the most part, to populations living adjacent to forest resources. Those uses – such as, collection of fuel wood, fruits and edible and medicinal plants, legal hunting and fishing – are important for meeting the subsistence needs of rural households – particularly the poorer groups.⁵⁷
4. Despite the benefits of conservation, there are limits to national level approaches:
 - Cross-border spill-overs (positive spatial externalities) of conservation efforts, especially with regard to poaching and illegal wildlife trade
 - Fragmentation of ecosystems and wildlife habitat conservation
 - Inefficiencies in resource employment for conservation efforts, i.e. investments per area under conservation or investments per species saved
 - Insufficient habitat under conservation, especially for larger (migratory) species that need large areas for successful reproduction and survival

⁵⁷ A. Ekbom and J. Bojö, 1999, “Poverty and Environment: Evidence of Links and Integration in the Country Assistance Strategy Process,” *Africa Region Discussion Paper 4*, World Bank, Washington, D.C.

5. Because of the above, the logical next step would be for scaled-up efforts at the regional level to enhance the efficiency and effectiveness of conservation through enhanced cooperation. Furthermore, ecosystems do not recognize political boundaries. The rise of potentially devastating global problems such as climate change, water shortages and biodiversity loss places an imperative emphasis on trans-boundary cooperation in landscape and ecosystem. Trans-boundary cooperation can act as a catalyst for new approaches to governance in border areas by addressing power imbalances between national and sub-national governments and local stakeholders. It can also foster peaceful cooperation in combating global and regional problems such as climate change, land degradation and water management.

6. The objective of this annex is to calculate the benefit-cost ratios of implementing the proposed project. The baseline against which the expected project benefits are compared is the situation where wildlife management remains a national effort without regional cooperation. Because South Asia is a region where economic integration has been especially difficult and most quantitative measures (e.g. exports, imports, financial flows) is lower than in other regions, the presumed baseline is reasonable.

7. With the predominance of global environmental challenges, the literature on the benefits of cooperation has emerged. For example, Sadoff and Grey identify benefits associated with improved water resource management.⁵⁸ They conclude that identifying and understanding the range of often inter-related benefits derived from the cooperative management and development of international rivers is central both to better management of the world's rivers and to relations among the nations sharing those rivers.

8. Regional initiatives that address illegal logging have multiplied. Some are centered on actions by importing, industrialized countries. For example, the G-8 countries have adopted principles for tackling illegal activities in the forest sector. There is strong evidence to suggest that increased efforts by both producer and consumer countries have proven to be significant in reducing illegal logging over the years. Awareness-raising by NGOs has been an important factor in driving improvements in enforcement in Indonesia while independent monitoring and private-sector initiatives driven by importers have been key for reducing illegal logging in Cameroon. Also, improved regulations and enforcement have been important in Brazil.

9. The above examples point to the wide range of benefits from cooperation. Yet the difficulty of *assigning concrete, quantitative economic values to the generation of those benefits* is still intractable. First, the overall benefit of regional cooperation has to be disaggregated into clearly distinguishable benefits to avoid double counting. Second, most disaggregated benefits are already generated at the national level and therefore would be enhanced through regional cooperation. The economic benefits of the project entail incremental enhancements. However, establishing a clear cause-effect linkage between regional cooperation and the incremental benefits is difficult, if not impossible in practice, especially at the disaggregated level. Finally, the lack of data compounds the difficulty of economic valuation.

⁵⁸ C. Sadoff and D. Grey, 2002, "Beyond the River: The Benefits of Cooperation on International Rivers", *Water Policy*, Vol 4: 389–403.

10. A different approach is taken to evaluate the economic viability of the proposed project. As evident in the mentioned examples of regional cooperation, the approach focuses on identifying a benefit out of the range of possible benefits. A quantitative value is then assigned to the identified benefit. With the approach adopted here, the calculations of the identified benefit represent a lower bound economic value because all other benefits are excluded from the quantitative exercise. Nevertheless, the derived value provides an economic basis for evaluating the project.

The Economics of Regional Cooperation

11. The analysis of the economic benefits of trans-boundary wildlife management has focused largely on trans-boundary park management for which regional cooperation is predominantly driven by the objective of creating larger, contiguous management areas that allow the movement of larger populations of wildlife, especially (larger) migratory animals within their natural habitats.^{59 60} In most cases, this type of cooperation is restricted to two neighboring countries and rarely involves more countries, such as the case with marine ecosystems. Also, the cooperation often focuses on the management of physical habitats rather than on strengthening the regulatory and governance framework of regional wildlife management which is the focus of the proposed project. An interesting example of regional cooperation that has been confirmed through a multilateral agreement is the Alpine Convention which focuses predominantly on improving environmental management.⁶¹

12. To date, a conceptual framework for the identification and economic valuation of the benefits of regional cooperation with the objective of eradicating poaching and illegal trade in wildlife is not available in the conservation literature. The most closely related literature is that of international efforts targeted at crime prevention. The structure and volume of illegal wildlife trade is similar to other areas of organized crime. Other areas of international crime include, but are not limited to, international terrorism, narcotics and drug trade, human trafficking, money laundering, illegal arms and hazardous waste trade and trade in counterfeit goods and currency.⁶²

13. Illegal wildlife trade is often linked to organized crime and involves many of the same culprits and smuggling routes as trafficking in arms, drugs, and persons.⁶³ International wildlife trade relies on organized criminal syndicates. Quite often, the same networks used to traffic people, drugs, weapons, and stolen goods are used to move endangered animals (alive or dead)

⁵⁹ Often as National Parks, for example Serengeti and Masai Mara (Tanzania – Kenya), Krueger and Limpopo NP (South Africa – Mozambique), and Lanjak Entimau Wildlife Sanctuary, Batang Ai NP, and Betung Kerihun NP (Malaysia – Indonesia).

⁶⁰ W. De Jong, 2008, “Transborder Environment and Natural Resource Management”, *CIAS Discussion Paper 4*, Center for Integrated Area Studies (CIAS), Kyoto University, Japan.

⁶¹ The Alpine Convention is an agreement between various countries for the protection and sustainable development of the Alpine Region. It was signed on November 7th, 1991 in Salzburg (Austria) by Austria, France, Germany, Italy, Liechtenstein, Switzerland and the EU. Slovenia signed the Convention on March 29th, 1993. Monaco became a party on the basis of a separate additional protocol. The Convention came into force on March 6th, 1995.

⁶² Other sectors where enhanced regional cooperation have been documented include the fight against HIV/AIDS and the prevention and prosecution of genocide.

⁶³ <http://www.state.gov/g/oes/rls/fs/2009/120034.htm>

or illegal timber. Wildlife trafficking is estimated to amount to US\$10-20 billion annually, the second-largest global black market after drugs.⁶⁴ Many wildlife smugglers deal in products that are worth more, per kilo than cocaine or heroin⁶⁵. In response, INTERPOL established a Wildlife Crime Working Group.⁶⁶

Conceptual Framework for the Economic Valuation of Regional Cooperation

14. The seminal work by Sandler et al on the economics of INTERPOL and terrorism is also relevant to this case.⁶⁷ The analysis involves differentiating between defensive and protective countermeasures against transnational terrorism. Defensive actions harden potential targets at home – physical and human – and they dissuade terrorists by reducing the anticipated net gains from the attacks and raising the costs of attacks. However, defensive measures have a downside as they induce terrorists to find softer targets in other countries. The literature shows that defensive measures against transnational terrorism by one country result in a negative externality to another country as the attack is displaced abroad.⁶⁸

15. In contrast, proactive or offensive measures directly attack the terrorists, their resource base (e.g., training camps, finances, or planners), or their supporters. Effective proactive measures that weaken a transnational terrorist group provide positive externalities to all at-risk countries. When a country chooses its proactive response to a transnational terrorist threat, the country compares the marginal benefits to the marginal costs, ignoring the marginal benefits that its response confers on other countries.⁶⁹ The downside of proactive measures is that, from a social viewpoint, the decision-making by a single country results in the inadequacy of the “supply” of proactive measures against the common transnational terrorist threat. In game theory, the Nash equilibrium is a situation where each country ignores the benefits that offensive measures confer on others and too little effort in combating terrorism is undertaken. As such, terrorists profit from the failure of nations to internalize the associated positive externality. In essence, proactive measures are a public good to all potential target countries. Those countries where its citizens and their property are most in jeopardy are the ones most inclined to take

⁶⁴ <http://planetgreen.discovery.com/travel-outdoors/wildlife-trafficking-organized-crime-and-you.html>

⁶⁵ For example, Bear gallbladder and bile are used in traditional Chinese medicine to treat many ailments, including convulsions, fever and hemorrhoids. Bear gallbladders have a foreign black market value that ranges from C\$2,000 to \$10,000 per gallbladder or up to \$55 per gram. The exceptionally fine underfur of the Tibetan antelope, which is used to make luxury shawls, has pushed the Tibetan antelope to the brink of extinction. The wool is so fine that shawls can be pulled through a wedding ring. Within India, shawls are worth \$1,000-\$5,000, internationally the price can be as much as US\$20,000. Source: Commission for Environmental Cooperation, 2005, “Illegal Trade in Wildlife: A North American Perspective”. http://www.cec.org/Storage/58/5059_Illegal-Trade-Wildlife_en.pdf

⁶⁶ <http://www.interpol.int/Public/EnvironmentalCrime/Wildlife/WorkingGroup/Default.asp>

⁶⁷ T. Sandler, D. Arce, W. Enders, 2009, “An Evaluation of INTERPOL’s Cooperative-based Counterterrorism Linkages”, <http://peio.vweb10-test.gwdg.de/papers2010/Sandler,%20Arce,%20Enders%202007.12.09.pdf>

⁶⁸ T. Sandler, K. Siqueira, 2006, “Global Terrorism: Deterrence Versus Pre-emption”, *Canadian Journal of Economics*, Vol. 39, pp. 1370–87; T. Sandler, H. Lapan, 1988, “The Calculus of Dissent: An Analysis of Terrorists’ Choice of Targets”, *Synthese* 76:245–61.; Sandler and Lapan (1988) quoted in Sandler et al. 2009.

⁶⁹ S. Bandyopadhyay, T. Sandler, 2009, “The Interplay Between Preemptive and Defensive Counterterrorism Measures: A Two-stage Game”, Research Division of Federal Reserve Bank of St. Louis, Working Paper Series Working Paper 2008-034C, <http://research.stlouisfed.org/wp/2008/2008-034.pdf>; Sandler and Siqueira (2006) quoted in Sandler et al. 2009.

offensive measures while the others free ride on their actions. This is analogous to the “prisoner’s dilemma.”

16. Defensive and proactive measures are also applied in combating illegal wildlife trade. When a country strengthens its defensive measure against illegal wildlife trade, agents and networks move their activities to other countries where defensive measures are relatively weaker. The other countries have an incentive to free-ride on their neighbor’s measures.

17. Unlike terrorism, successful enforcement that leads to the decline in the supply of illegal wildlife commodities raises the prices of such products and, in turn, increases the incentive to engage in illegal activities. Measures to tackle the demand for wildlife commodities, the root cause of the problem, are also imperative.

18. Sandler et al. conclude that, despite the fact that INTERPOL has reduced terrorism (with proactive measures but has not eliminated), proactive measures are still undersupplied, pointing to the significance of organizations like INTERPOL. Likewise, there is a role for regional cooperation – institutionalized or informal – to address trans-boundary illegal wildlife trade. The analysis shows that cooperative-based counterterrorism activities of INTERPOL have much to offer at surprisingly low cost when compared with standard proactive and defensive responses.⁷⁰ In contrast to the U.S. homeland security and proactive responses that cost billions of dollars, the cost of INTERPOL’s counterterrorism activities range in the millions of dollars.⁷¹

19. Computing INTERPOL’s counterterrorism benefits involves a counterfactual, that is, how many more transnational terrorist incidents and associated casualties would have taken place without INTERPOL’s coordinated measures. The challenge posed is overwhelming because the counterfactual is not observable. Instead, Sandler et al use INTERPOL’s counterterrorism arrests to estimate the reduction in the number of transnational terrorist events. However, focusing on arrests does not necessarily mean that those arrested will be convicted. Hence, the study points to a number of caveats but despite these, the authors believe that the payback from further use of INTERPOL assets is substantial. They conclude that the quantitative results are not surprising because network externalities lead to increasing returns to scale because of the benefits to all INTERPOL members.

20. A two-step procedure is used to measure the GDP savings from INTERPOL’s activities. Initially, the historical costs of terrorism using the actual number of observed incidents are estimated. Then, the study projects how much higher the GDP costs would have been had INTERPOL not helped thwart any incidents. The results are staggering – a dollar spent on INTERPOL counterterrorism brings, on average, a payback of US\$40-200 depending on the

⁷⁰ T. Sandler, D. Arce, and W. Enders, 2009, “*An Evaluation of INTERPOL’s Cooperative-based Counterterrorism Linkages*”, <http://peio.vweb10-test.gwdg.de/papers2010/Sandler,%20Arce,%20Enders%2027.12.09.pdf>

⁷¹ With regard to pro-active counterterrorism measures it has to be emphasized that INTERPOL’s General Secretariat Headquarters and Regional Offices do not arrest criminals or terrorists; rather, they help member countries make arrests through the use of the organization’s linkages and resources. INTERPOL merely assists its member countries in their counterterrorism activities through its secure communication network, its databases, its investigative resources and specialized projects, its money laundering expertise, its dissemination of best practices, and secure communications among police worldwide. It connects all member countries to a secure global communication system that provides continual access to its databases.

assumptions related to GDP savings. They conclude that the high benefit-cost ratios are a consequence of coordinated proactive counterterrorism measures that benefit all of INTERPOL's at-risk members. If the measures were taken unilaterally, the supply of counter-terrorism would be much less than the threat. However, cooperative countermeasures are able to capture the large externalities. The study contents that INTERPOL-assisted actions are less costly than military actions or defensive measures.

21. The authors provide convincing evidence that the high benefit-cost ratios are not overestimated. For example, the impact of avoided terrorist attacks is significantly underestimated. The approach also ignores the fact that the arrest of a terrorist may yield multi-year paybacks. As defensive measures by rich countries shift (diffuse) the risks of transnational terrorism to more countries, the benefit-cost ratios associated with a coordinated proactive approach will increase as the terrorism risk is reduced to everyone. Quite simply, INTERPOL presents large paybacks on small expenditures as it addresses the shortfall of collective proactive measures.

22. Because of the lack of data, it may not be possible to apply the same level of sophistication to the assessment of regional cooperation in fighting illegal wildlife trade. However, the conceptual framework presented above provides a basis for making inferences on the economic benefits of regional cooperation supported by the proposed project. Compared to the INTERPOL analysis, the costs can be derived directly from the costs of the proposed project.

Economic Values of Combating Illegal Wildlife Trade

23. The same challenge exists with measuring the economic benefits of regional cooperation in reducing illegal wildlife trade. This challenge is further aggravated by the fact that South Asia does not have data on arrests. Extrapolation from data of other regions where regional cooperation is already in place is a reasonable option.⁷²

24. The most comprehensive source of economic data on regional cooperation against illegal wildlife trade is the ASEAN Wildlife Enforcement Network (ASEAN-WEN). Like South Asia, the ASEAN region is a global hotspot for the poaching, trafficking, and consumption of protected wildlife. The annual value of the illegal wildlife trade in the ASEAN region is estimated at US\$10-20 billion. The region's high biodiversity and accessible transport links make it a target for illegal trade in protected species. The numbers imply the huge economic benefits to be gained by strengthening cooperation on wildlife management in South Asia.

25. Illegal wildlife trade has led to the destruction on a massive scale, threatening irrevocable damage to Southeast Asia's ecosystems. Illegal wildlife traffickers operate both within and between countries, through well-organized, cross-border networks. To effectively combat the

⁷² Another assumption made by Sandler et al. (2009) is that they do not presume a decrease of one incident in perpetuity, because terrorist organizations will recruit new operatives. Capturing one or more terrorist cell members will surely disrupt a planned incident until new terrorists can be trained or recruited for the mission. Our presumption is that arrests under various scenarios result in less incidents that year, because it takes time for terrorists to put the mission back on track. Whether this applies also in perpetuity for illegal wildlife is not clear, but it should be equally applicable in the short- to medium term.

crisis, law enforcement agencies must match tactics with the offenders. Police, customs and environmental management agencies need to form national, regional and international networks dedicated to investigating and eliminating large-scale illegal wildlife crime. Until recently, such collaborative networks between wildlife law enforcement agencies were unknown in Southeast Asia. The region's governments are now taking bold action to create vital cooperative links.

Table 9.1: Statistics from ASEAN-WEN Law Enforcement Activities

	2008	2009	January – March 2010
Number of law enforcement actions	67	141	19
Recovered animals			
Live animals	31,590	26,261	5,659
Dead animals, animal parts and derivatives	31,684	9,932	61,500
Tons of wildlife	53	268	2.7
Minimum estimate black market value (US\$ million)	4.3	40	4.5
Number of arrests	227	156	17
Number of convictions	N / A	45	N / A

Source: ASEAN-WEN Action Updates (www.asean-wen.org)

26. A similar regional setup as that of ASEAN-WEN is proposed for South Asia.⁷³ Therefore, it is reasonable to assume that similar impacts can be expected for the South Asia region as those presented in Table 9.1. The benefit-cost calculations for South Asia are based on the following assumptions. South Asia accounts for 13-15% of the world's biodiversity and the total value of illegal wildlife trade is estimated at USD 20 billion (in 2007 UNEP estimated the annual revenue of the wildlife trade at USD5-8 million annually).⁷⁴ With a linear correlation between the existence of biodiversity and illegal trade in wildlife products, the value of the illegal wildlife trade in South Asia would range between about USD2.6 and USD3.0 billion.

27. The figures represent a lower bound, conservative estimate since South Asia is disproportionately affected by illegal wildlife trade, especially with regard to tiger and rhino products. According to WWF Nepal, rhino horns fetch a price of up to USD10,000/kg within the country while tiger bones can fetch up to USD70/kg.⁷⁵ The prices of these products are much higher in the international market.⁷⁶ Consuming tiger parts for medicinal purposes is not limited to Asia. A recent WWF investigation in England of Chinese chemists, craft shops and supermarkets in London, Birmingham, Manchester and Liverpool showed that half the shops sold products claiming to contain tiger bone. The rising demand for tiger parts and rapid increase in the price of tiger bone continues to be an irresistible incentive to poachers and those

⁷³ A South Asia Wildlife Enforcement Network was proposed at a regional meeting in Kathmandu in May 2010.

⁷⁴ http://www.tinopal.org/WWF_OCt_29_final_ukbrbt_Revised.pdf

⁷⁵ http://www.wwfnepal.org/our_solutions/projects/index.cfm?uProjectID=NP0902

⁷⁶ Due to increased demand, tiger bone prices can be double or even 5 times higher in South Korea, Taiwan and other countries, depending on the size of the bones. In Taiwan, a bowl of tiger penis soup (to boost virility) goes for US\$320 and a pair of eyes (to fight epilepsy and malaria) for USD170. Powdered tiger humerus bone (for treating ulcers, rheumatism and typhoid) brings up to US\$3,200/kg in Seoul. http://www.wwfnepal.org/our_solutions/projects/index.cfm?uProjectID=NP0902

involved in the trade. In view of the commercial demand, the value of the illegal wildlife trade is likely much higher but the conservative estimates assure analytical robustness.

28. Because of the illegal nature of the wildlife trade, one important variable for calculating the benefits of the proposed project is not only unknown for the South Asia region, but is even difficult to extrapolate from other regions. That is, what would be the reduction in illegal trade in wildlife products as a result of the project interventions? Sensitivity analysis is applied using different assumptions on the rate of “elimination of illegal wildlife trade” to calculate the number of years where the benefit-cost ratio breaks even.

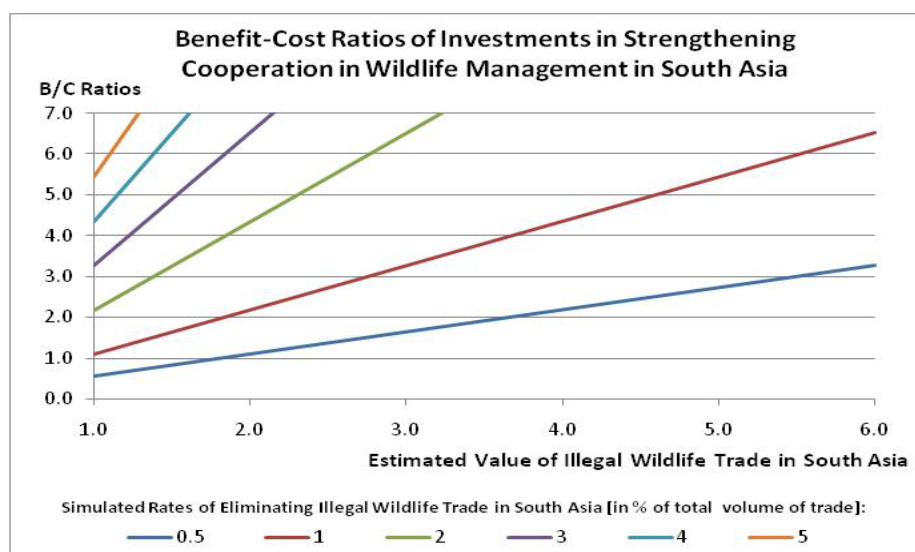
29. The calculation period was set at ten years with identical annual project investments spread over a period of five years. Ten years is a relatively short period but it follows the conservative approach used for the estimation. Sensitivity analysis was conducted with regard to (i) the discount rate applied for calculating the net present values of project costs and benefits; (ii) the estimated rate of elimination of illegal wildlife trade that will be achieved by the project investments; and (iii) the estimates of how much of the global illegal wildlife trade that can be assigned to South Asia. The parameters rely on varying degrees of uncertainty. The sensitivity analysis pinpoints the thresholds where project benefits exceed costs, i.e., where the benefit-cost ratios are higher than 1.

30. The analysis involved a first set of 108 simulations to calculate the benefit-cost ratios of the project investments and the anticipated benefits. Table 9.2 shows that the benefit-cost ratios are below 1 in only a few cases. In all others, the benefits exceed the costs and in most cases the ratio is above 2 and higher; in extreme cases, the values are above 20. In addition to the tabular presentation, the results for scenario 1 (with a discount rate 5%) are presented in Figure 9.1. In interpreting the results, it needs to be noted that the calculations did not take into account possible increases in prices due to the reduced supply.

Table 9.2 Benefit-Cost Ratios of Project Investments in Strengthening Regional Cooperation in Combating Illegal Wildlife Trade (IWT) for 10-Year Period

	Value of illegal wildlife trade in South Asia (in US\$ billions)																	
Rate of Elimination of IWT (in %)	Scenario 1 Discount Rate 5%						Scenario 2 Discount Rate 10%						Scenario 3 Discount Rate 20%					
	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
0.5	0.5	1.1	1.6	2.2	2.7	3.3	0.5	1.0	1.5	1.9	2.4	2.9	0.4	0.8	1.2	1.6	2.0	2.4
1	1.1	2.2	3.3	4.4	5.4	6.5	1.0	1.9	2.9	3.9	4.8	5.8	0.8	1.6	2.4	3.2	4.0	4.9
2	2.2	4.4	6.5	8.7	10.9	13.1	1.9	3.9	5.8	7.8	9.7	11.6	1.6	3.2	4.9	6.5	8.1	9.7
3	3.3	6.5	9.8	13.1	16.3	19.6	2.6	5.2	7.8	10.4	13.0	15.6	1.8	3.5	5.3	7.1	8.9	10.6
4	4.4	8.7	13.1	17.4	21.8	26.1	3.9	7.8	11.6	15.5	19.4	23.3	3.2	6.5	9.7	13.0	16.2	19.4
5	5.4	10.9	16.3	21.8	27.2	32.7	4.8	9.7	14.5	19.4	24.2	29.1	4.0	8.1	12.1	16.2	20.2	24.3

Figure 9.1 Simulation results for Scenario 1



31. A second set of 108 simulations was conducted to calculate the benefit-cost ratios of the project investments and the anticipated benefits for a 20-year period. The results are summarized in Table 9.3. The ratios are higher than those under the 10-year period especially for the calculations under scenarios 1 and 2.

Table 9.3 Benefit-Cost Ratios of Project Investments in Strengthening Regional Cooperation in Combating Illegal Wildlife Trade (IWT) for 20-Year Period

	Value of illegal wildlife trade in South Asia (in US\$ billions)																	
Rate of Elimination of IWT (in %)	Scenario 1 Discount Rate 5%						Scenario 2 Discount Rate 10%						Scenario 3 Discount Rate 20%					
	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
0.5	0.9	1.8	2.6	3.5	4.4	5.3	0.7	1.3	2.0	2.7	3.4	4.0	0.4	0.9	1.4	1.9	2.4	2.8
1	1.8	3.5	5.3	7.0	8.8	10.5	1.3	2.7	4.0	5.4	6.7	8.1	0.9	1.9	2.8	3.8	4.7	5.6
2	3.5	7.0	10.5	14.1	17.6	21.1	2.7	5.4	8.1	10.7	13.4	16.1	1.9	3.8	5.6	7.5	9.4	11.3
3	5.3	10.5	15.8	21.1	26.4	31.6	3.6	7.2	10.8	14.4	18.0	21.6	2.1	4.1	6.2	8.2	10.3	12.4
4	7.0	14.1	21.1	28.1	35.1	42.2	5.4	10.7	16.1	21.5	26.9	32.2	3.8	7.5	11.3	15.0	18.8	22.6
5	8.8	17.6	26.4	35.1	43.9	52.7	6.7	13.4	20.1	26.9	33.6	40.3	4.7	9.4	14.1	18.8	23.5	28.2

32. It needs to be emphasized that the results represent conservative, lower-bound estimates of the economic benefits derived from the proposed project. When all other benefits are included, the break-even point would be reached much earlier and the ratios would be even higher. To demonstrate that the simulations are robust and that the project is more than likely to generate positive economic outcomes, the next section highlights the economic value of other possible benefits.

Economic Values of Biodiversity in South Asia

33. As mentioned before, biodiversity is especially important to South Asia, especially as part of the tourism sector in the region. The World Travel and Tourism Council (WTTC) estimates the economic value of personal travel and tourism in South Asia at US\$18.7 billion in 2003, growing by 7.3% per annum in real terms. By 2013, this is projected to reach US\$52.2 billion but would still be only a small fraction of world travel and tourism, projected at US\$3,862 billion by 2013. Travel and tourism in South Asia contributed 4.8% to GDP in 2003 and is projected to rise to 5.3% in 2013. The industry provided employment to about 29 million people (5.2% of the total) in 2003 with projections of almost 36 million (5.4%) in 2013. In 2000, the combined total revenue from international tourists in the sub-region was US\$3.5 billion.⁷⁷

34. The forests of Gir in India are the last refuge of the world's remaining 250- 300 Asiatic wild lions. Habitats across Bangladesh, Bhutan, India and Nepal are home to over 65% of the 3,000 or so remaining wild tigers and the Himalayas are the last redoubt of the critically endangered snow leopard, whose numbers are unknown. India is classified as a mega-diverse country and the Eastern Himalayas (encompassing numerous countries) a biodiversity hotspot.

35. A recent valuation study finds that, on average, each hectare of dense forest in India generates a net present value from ecotourism of about US\$1,350. With an estimated 390,000 hectares of dense forest remaining in India, studies suggest that this constitutes a total economic contribution of approximately US\$636 million. This figure underestimates the potential value of undisturbed natural habitats because it excludes the myriad other benefits that forests bring – such as timber, fodder, traditional medicines, bio-prospectivity (e.g. new medicines), non-timber forest products and watershed benefits among others – as well as the non-use (preservation) values.

36. During 2002-2007, tourism receipts for India amounted to about US\$3.2 billion. Even if only a small fraction accounts for wildlife based tourism, the number is still significant. For the whole of South Asia, receipts from tourism are estimated at US\$10 billion in 2005.⁷⁸

37. Tourism is also a priority under Bhutan's Ninth Plan 2003-2007. While the guiding policy will remain "high value, low impact" tourism, growth is now actively encouraged as a revenue earner and rural employer. Tourist arrivals amounted to 15,000 in 2007 with gross earnings exceeding US\$21 million and government revenues from tourism reaching US\$8 million.

38. Taking into account the values of nature-based tourism in other regions of the world as presented in Table 9.3, it becomes clear that if the economic values of these benefits were to be integrated into the economic analysis of the proposed project, the benefits from implementing the

⁷⁷ Asian Development Bank, 2003, Technical Assistance for the South Asia Sub-regional Economic Cooperation Tourism Development Plan (TAR:STU 37007).

⁷⁸ UN ECOSOC, 2007, "Regional Study on the Role of Tourism in Socio-Economic Development", Consideration of legislative body and intergovernmental meeting reports and implementation of selected commission resolutions, including resolution 60/1 on the Shanghai Declaration: Managing globalization, Economic and Social Commission of for Asia and the Pacific; Sixty-third session 17-23 May, 2007, Almaty, Kazakhstan.

project would increase considerably. This underscores the robustness of the calculations and supports the foregoing results that investments in strengthening regional cooperation in wildlife management will generate economic benefits that far exceed the anticipated costs.

Table 9.4 Economic Values of Wildlife Conservation

Animal	Value	Comment	Source
Elephants	US\$25-30 million per annum = US\$1562 per elephant	Tourism value of elephants in Kenya. Travel cost method.	Brown Jr., G., and W. Henry. 1989. The Economic Value of Elephants. Discussion Paper 89–12. London Environmental Economics Centre.
Elephants	US\$23-27 million per year	Kenya. Estimated economic value of safaris yielded this viewing value for elephants. Travel cost method.	Brown, G. Jr (1993) The Viewing Value of Elephants. In <i>Economics and Ecology</i> (ed. E.B. Barbier), pp. 146–155. Chapman & Hall, Victoria, Canada.
Mountain Gorillas	US\$1,716,960 per year	Uganda. Net economic benefit of gorilla tourism in two parks per year.	International Gorilla Conservation Programme (IGCP) Final Draft Analysis of the Economic Significance of Gorilla Tourism in Uganda http://www.igcp.org/wp-content/themes/igcp/docs/pdf/MoyiniUganda.pdf
Flamingos	US\$2.5-5 million per year	Annual recreational value of wildlife viewing in Lake Nakuru National Park in Kenya was found to be 7.5-15 million USD. The flamingos accounted for more than 1/3 of the value.	Navrud, S. & Mungatana, E.D. (1994) Environmental Valuation In Developing Countries: The Recreational Value of Wildlife Viewing. <i>Ecological Economics</i> , 11, 135–151.
Turtles	US\$2.68 million for 1999/2000 season	Expenditure in the Mon Repos, Queensland region	Tisdell, C.A. and Wilson, C. (2002a). Economic, Educational and Conservation Benefits of Sea Turtle Based Ecotourism – A Study Focused on Mon Repos. Wildlife Tourism Research Report Series: No. 20, CRC for Sustainable Tourism Pty Ltd, Gold Coast, Qld, Australia
Whales	US\$30 million for season	Expenditure in the Hervey bay region	Wilson, C. and Tisdell, C. (2003). Conservation and Economic Benefits of Wildlife-Based Marine Tourism: Sea Turtles and Whales as Case Studies. In <i>Human Dimensions of Wildlife</i> , 8: 49-58.

Note 1: Summary of Literature on Transnational Cooperation

39. According to Raustiala, past international cooperation was dominated by international organizations created by formally negotiated and legally binding treaties.⁷⁹ In recent years, however, the development of linkages among government officials from diverse jurisdictions – peer-to-peer, informal often non-binding agreements, and limited oversight by foreign ministers – has been recognized increasingly. The underlying factors driving the move to networks include globalization, regulatory expansion, and technological change.

40. Trans-governmental networks enable national regulators to better fulfill their domestic mandates. They also facilitate the convergence of domestic regulation, helping to provide uniformity without centralization. Raustila further argues that trans-governmental networks should fill gaps in the international regulatory system, permitting cooperation in situations of asymmetric regulatory power, such as securities regulation, where liberal internationalism cannot flourish or is unlikely to provide a lasting solution.

41. According to Godsona and Williams, transnational organized crime is a critical challenge to democratic governance and to transition and modernization processes in many parts of the world.⁸⁰ Responding to this challenge requires a comprehensive strategy that combines law enforcement and regulatory responses, such as enhanced intelligence analysis and intelligence sharing, state-building, and trans-state cooperation with non-regulatory approaches, such as the extension of the strategy to civil society and the private sector. The latter would also include changing cultural attitudes toward organized crime and corruption.

42. Attina observes a mounting threat to public security by transnational crime organizations and the weakness of national governments to respond appropriately to such threat by national means.⁸¹ The consolidation of international security enhances transnational crime because the increased mutual confidence among states relaxes government controls on state borders.⁸²

43. Wang and Wang argue that, in the context of globalization, the multinational criminal systems become more efficient and powerful. Even though transnational crime may not be a new phenomenon, it has spread exponentially during the last few years.⁸³ According to the most conservative calculation, the annual profits from transnational organized crime are estimated to

⁷⁹ Kal Raustiala, 2002, "The Architecture of International Cooperation: Transgovernmental Networks and the Future of International Law", *Virginia Journal of International Law Association*, Vol. 43, No.1, Fall 2002.

⁸⁰ R. Godsona, P. Williams, 1998, "Strengthening Cooperation Against Transnational Crime", *Survival*, Volume 40, Number 3, 1998, pp. 66-88.

⁸¹ F. Attina, 1997, "Globalization and Crime. The Emerging Role of International Institutions", Jean Monnet *Working Papers in Comparative and International Politics* No. 7/97, February, <http://www.fscpo.unict.it/EuroMed/jmwp07.htm>.

⁸² E. Colombatto, J. Macey, 1996, "A Public Choice Model of International Economic Cooperation and the Decline of the Nation State", *Cardozo Law Review*, 18, p 925 ff, 1996-1997, <http://web.econ.unito.it/colombatto/cardoso.pdf>; derive similar conclusions from their modeling of illegal activities in global capital markets.

⁸³ P. Wang, J. Wang, 2009, "Transnational Crime: Its Containment through International Cooperation", *Asian Social Science*, Vol. 5, No. 1, November 2009.

be between 500 to 1,500 billion dollars and have quintupled over the past 10 years.⁸⁴

44. As a result, no single country has the capability to prevent and control different kinds of transnational crime. Moreover, the containment of transnational crime through international or regional cooperation may be an ideal way. Cooperation in the field of international economics and international politics between states is more essential now than before for the containment of transnational crime. In order to strengthen international cooperation, a dominant strategy against criminal organizations is absolutely needed to strengthen law enforcement, harmonize regulatory and legal regimes across state boundaries, devise international conventions and establish norms.

45. Historically, the United Nations stressed the priority of a draft convention to address the global threats from transnational organized crime in the late 1990s. The concept of shared responsibility has long been adopted by its member states. They have also recognized the need for a balanced approach between supply and demand reduction efforts. In December 2000, the UN Convention on Transnational Crime was approved and signed in Palermo. The treaty has two main objectives: (i) to eliminate differences among national legal systems; and (ii) to set minimum common standards for domestic law to achieve effective global cooperation.

46. Nonetheless, these general concepts still need to be better translated into operational terms. Uncoordinated efforts, leading to isolated sectoral and geographical successes, have often only displaced the problem, leaving international crime in its various forms still very active.

47. Countries that ratify the Convention and protocols are expected to take measures against transnational organized crime. Four specific crimes were established: participation in criminal groups, money laundering, corruption, and obstruction of justice. A newly designed legal instrument explained how countries could improve cooperation on extradition, mutual legal assistance, transfer of proceedings, and joint investigations, as well as provisions for victim and witness protection and protecting legal markets from infiltration. Technical assistance in addressing organized crime would be offered to developing countries.

Examples of regional cooperation

48. Complementary to the global framework provided through the UN Convention on Transnational Crime, several examples for cooperative arrangements at the regional level are documented. For example, the Asia-Pacific Economic Cooperation (APEC) endorsed a privacy framework, recognizing the importance of developing effective privacy protections that avoid barriers to information flows and ensure continued trade and economic growth in the APEC region. The framework calls on member economies to consider developing cooperative arrangements and procedures to facilitate cross-border cooperation in the enforcement of privacy laws.

49. Autry (2007) finds that the creation of formal bilateral institutions for law enforcement cooperation has led to improved effectiveness in Sino-U.S. work against human smuggling.⁸⁵

⁸⁴ R. Ehrenfeldt, 2003, "Funding Evil: How Terrorism Is Financed and How To Stop It", New York. Bonus Books; Giorgio Giacomelli, 1996, "Take the Profit Out of Crime by Policing the Money Laundries", in *International Herald Tribune*, March 4.

50. Similarly, for the 11 member states of Southern African Development Community (SADC) Boone et al. provide several examples of how regional cooperation enhances the fight against organized crime in the region, which is characterized by one of the highest levels of organized crime in the world.^{86 87} The growth of organized crime, which is often connected with drug trafficking, is intensifying the already difficult tasks of prevention, enforcement and prosecution. The authors note that the most important prerequisite for the established and successful regional cooperation in crime prevention is an enhanced regional integration at the political level, with many SADC countries also being members of the African Union and the New Partnership for Africa's Development (NEPAD).

51. SADC established a number of institutions and organizations whose functions are vital to the fight against crime and drugs in the region. These bodies are can be found in both the public sector and within civil society.

52. Although, at the country level, the overall picture may be marked by ad hoc plans and projects, it is clear that SADC member states are willing and able to cooperate with considerable success in a number of areas. Examples of successes are the destruction of small arms (South Africa and Mozambique) and enhanced drug interdiction at both seaports and land border posts in Mozambique, South Africa and Swaziland.

53. In a paper on global law enforcement against cyber-crime, Broadhurst outlines the need and urgency for further international and regional cooperation.⁸⁸ The cross-country nature of most computer related crimes have rendered many time-honored methods of policing both domestically and in cross-border situations ineffective even in advanced nations, while the 'digital divide' provides 'safe havens' for cyber-criminals. In response to the threat of cyber-crime, there is an urgent need to reform methods of mutual legal assistance and to develop transnational policing capability.

54. A similar example is provided by Hoister for the regional cooperation in the South Pacific.⁸⁹ The Honiara Declaration on Law Enforcement Cooperation, adopted by the Pacific Islands Forum in 1992, marked the formal beginnings of a significant regional effort to suppress transnational crime in the South Pacific. By 2001, it was observed that serious transnational crime was moving into the region and posing serious threats to the sovereignty, security and economic integrity of forum members. These threats included money laundering, terrorist

⁸⁵ P. Autry, 2007, "An Analysis of the Effectiveness of Sino-U.S. Law Enforcement Cooperation to Combat Human Smuggling", Thesis presented to the faculty of the Georgia Institute of Technology, June 10, 2007, <http://smartech.gatech.edu/handle/1853/16263>.

⁸⁶ Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

⁸⁷ R. Boone, G. Lewis, U. Zvekic, 2004, "Measuring and Taking Action Against Crime in Southern Africa", in: *Forum on Crime and Society*, Volume 3, Numbers 1 and 2, December 2003, United Nations Office on Drugs and Crime.

⁸⁸ R. Broadhurst, 2006, "Developments in the Global Law Enforcement of Cyber-Crime", *Policing: An International Journal of Police Strategies and Management*, Vol. 29, Issue 2, pp. 408-433.

⁸⁹ N. Boister, 2005, "New Directions for Regional Cooperation in the Suppression of Transnational Crime in the South Pacific", *Journal of Pacific Law*, Vol. 9, Issue 2, 2005.

recruitment, identity fraud, West African fraud, people smuggling, issuing passports of convenience, engaging in electronic crimes, small arms trafficking, illegally trading in endangered wildlife, drug trafficking and organized crime.

55. This section has demonstrated that, from the analysis of various regional cooperation arrangements to combat international crime, it can be concluded that all studies unanimously see major benefits in regional cooperation.⁹⁰ However, the above studies present the analysis in a qualitative, descriptive manner without assigning economic values to the obvious achievements of regional cooperation.

Note 2: Economic Benefits of Regional Cooperation

56. The valuation exercise is executed using only a sub-set of the benefits that the project activities are anticipated to provide. The most important of the selection criteria is the availability of reliable data from the region and also from other regions that can be utilized for the analysis.

57. The most frequently quoted benefit resulting from trans-boundary and regional cooperation in protected area management is the efficiency gains in managing a critical size of animal population that is required to ensure the permanent survival of the species. In this regard, two multiplier effects are identified:

- Assuming that national level investments in species protection have reached a state where the marginal benefits of conservation have already reached a decreasing rate, regional cooperation can put wildlife management in a position of re-gained and increasing marginal benefits.
- It is well known that smaller populations of animals are less likely to survive than larger populations. With an enhanced trans-boundary connectivity of habitats, populations have the chance to re-grow in size and become more resilient against external natural and anthropogenic factors threatening their survival.⁹¹

58. Combining these two effects, regional cooperation increases the probability of survival of endangered species. Since the size of population is still relatively small, the economic benefits

⁹⁰ Further studies are, for example; G. Moore, 1987, "Enforcement Without Force: New Concepts in Compliance Control for Foreign Fishing Operations", The Food and Agriculture Organization of the United Nations (FAO), <http://www.fao.org/docrep/s5280T/s5280t0m.htm> that included a case study of regional cooperation in the fisheries sector, John Muncie, 2005, "The Globalization of Crime Control: The Case of Youth and Juvenile Justice: Neo-Liberalism, Policy Convergence and International Conventions", *Theoretical Criminology*, 9 (1), pp. 35–64 that discussed the globalization of crime control. policy convergence and international conventions; and B. Saveedra, 2005, "Transnational Security Crime in Latin America: Building Up Cooperation in The Andean Ridge", *CSRC Discussion Paper* 05/54 that presented evidence of transnational crime and cooperation in Latin America.

⁹¹ For example, from transboundary elephant conservation projects in East Africa, it is known that small populations are more vulnerable to extinction as a result of drought, disease and outbreaks of poaching that remove breeding males; UNEP, 2005, "Promoting Biodiversity Conservation and Sustainable Livelihoods in the Kavango-Zambezi", Project Document to GEF; UNEP, 2006, "Africa Environment Outlook 2, Our Environment, our wealth", http://www.unep.org/dewa/africa/docs/en/AEO2_Our_Environ_Our_Wealth.pdf.

of conservation are still marginally increasing. Figure 9.2 graphically presents these arguments.

59. This assumption is supported by research stating that, for example, in some countries there is currently no evidence of breeding populations of wild tigers due to limits of population size. With less than one-third of living tigers being breeding females, it is concluded that current approaches to tiger conservation are not slowing the decline in tiger numbers, which has continued unabated over the past two decades. One of the key proposals to tiger conservation is through a landscape approach to maintain the genetic and demographic viability of populations of such a low-density, wide ranging species. Naturally, for a landscape approach to be most effective and efficient, it cannot stop at national boundaries without enhanced trans-boundary cooperation in wildlife management.

60. In addition to area size necessary, the study also identifies a strong correlation between law enforcement and existing tiger populations. Given that large, landscape-based conservation zones are required to ensure active tiger populations, cross-border, regional cooperation in law-enforcement are mandatory to increase the cost-efficiency of law enforcement efforts and enhance their effectiveness, i.e. avoiding the transfer of illegal activities to other countries.

Figure 9.2 Economic Benefits from Regional Cooperation in Wildlife Conservation

