

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC392

Project Name	Management and Protection of Key Biodiversity Areas in Belize (P130474)
Region	LATIN AMERICA AND CARIBBEAN
Country	Belize
Sector(s)	General agriculture, fishing and forestry sector (50%), Public administration- Agriculture, fishing and forestry (50%)
Theme(s)	Environmental policies and institutions (25%), Climate change (25%), Land administration and management (25%), Natural disaster management (15%), Other environment and natural resources management (10%)
Lending Instrument	Specific Investment Loan
Project ID	P130474
GEF Focal Area	Multi-focal area
Borrower(s)	Ministry of Forestry, Fisheries, and Sustainable Development
Implementing Agency	Protected Areas Conservation Trust
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	17-Aug-2012
Date PID Approved/ Disclosed	01-May-2013
Estimated Date of Appraisal Completion	00000000
Estimated Date of Board Approval	03-Dec-2013
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

1. Belize is a small, lower-middle income country with a population of 310,000 and a per-capita GDP of US\$4,115 (2009). Total national territory covers 46,620 km², which includes 22,960 km² of land and 1,060 cays. Belize is a small, open economy endowed with unique natural resources and ecosystems that drive the economy: tourism, fishing, agriculture, forestry and hydroelectric power. Belize has a very high level of terrestrial and aquatic biodiversity, including more than 150 species of mammals, 540 species of birds, 151 species of amphibians and reptiles, nearly 600 species of freshwater and marine fishes, high numbers of invertebrates and 3,408 species

of vascular plants. Belize's rich terrestrial and marine ecosystems provide important habitat for these species, represented by the Belize Barrier Reef—the largest barrier reef in the Americas—which has been classified as one of the world's marine hotspots and encompasses six UNESCO World Heritage sites. Much of the terrestrial areas of Belize forms part of the Mesoamerican Biological Corridor which stretches from Mexico to Panamá. In fact Belize has the highest forest cover in both Central America and the Caribbean; 72% of Belize (as a percentage of land) is covered with forests, of which 37% are classified as primary forests. Belize has two large, unified, blocks of intact virgin rainforest that are likely to be the last strongholds for species that require large, undisturbed areas for their long-term survival, such as the Jaguar (considered the flagship species of Belizean conservation).

2. Although Belize has managed to preserve its environmental capital to a greater extent than its neighbors, it still faces some serious environmental problems that adversely affect the poor, and growth prospects. The forests are under increasing pressure from factors such as illegal logging and encroachment, forest/bush fires, and slash-and-burn agriculture. Another factor driving deforestation in Belize is the existing land tenure legislation, which requires that leased lands that are forested must be “developed” by the owners or their leases would be revoked. This provides strong incentive for landowners to clear the land in an effort to meet the requirements of ‘development’. However, it has been observed that many of these lands lie idle after they have been cleared since the landowners lack the capital to engage in alternative land uses. Unregulated development of coastal areas and the rising pollution from cruise ship tourism lead to the degradation of mangroves and coral reefs. The short-term impacts of natural disasters and the long-term effects of climate change are expected to undermine the resilience of the natural ecosystems and human vulnerability, increasing the urgency of tackling these challenges. In 2010, hurricane damage led to extensive forest areas being destroyed leaving much debris which accumulated and dried up to form fuel. Consequently, during the 2011 dry season, Belize experienced some of the most extensive forest fires all over the country. These fires and other forest degradation are leading to loss of biodiversity and emissions of Green House Gases (GHGs) into the atmosphere and contributing to further climate change.

3. Loss of forests in deforestation hotspots, particularly in key watersheds, leads to loss of ecosystem services: protection of water quality in adjacent watersheds, and reduction of nutrient flows that are damaging to the reefs. Since the pre-independence period, timber was one of Belize's major export products. Although the industry has now declined, forests are a valuable asset and generate a range of important ecosystem services such as biodiversity habitats, non-timber forest products for local and indigenous communities, fuel for rural communities, and large untapped potential for the use of medicinal plants in the pharmaceutical industry. Forests provide soil stabilization, which prevents excessive sedimentation of estuaries and coral reefs and reduce the runoff of nutrients from agricultural areas to sensitive reef and mangrove ecosystems. In terms of the loss of ecosystem services such as water quality protection by riparian forests, location is important.

Sectoral and Institutional Context

4. Belize is a signatory of the Convention of Biological Diversity (CBD), ratified on December 30, 1993. The proposed Project is fully aligned with Belize's National Biodiversity Strategy and Action Plan (NBSAP) submitted to the CBD, which promotes comprehensive use and management of Belize's biological resources. It is also aligned with the 2005 National Protected Areas System Plan (NPASP) which targets the enhanced management of protected areas in

accordance with recommendations from this plan and, fulfilling Belize's commitments to the CBD Program of Work on Protected Areas. Belize's sector-specific policies and legislation are generally comprehensive and robust, such as the 2009 Water Resources Management Act, the 1992 National Lands Act, and the 1999 Coastal Zone Management Act. However, problems and weaknesses frequently arise from the complications of different jurisdictions and regulations over management of PAs. The National Protected Areas Policy and NPASP defines that PAs of Belize are administered and regulated by different laws and enforced by different Government agencies (e.g., Department of Environment, Forest Department, Fisheries Department, Coastal Zone Management Authority and Institute). Also enforcement is a serious issue due to weak institutional capacities. The institutions that are directly responsible for the management of Belize's environment and natural resources are under-funded, understaffed and in many cases lack the capacity to perform their basic functions. Historically, environmental civil society organizations are very strong in Belize and have been playing a crucial role in complementing the capacity to manage protected areas (PAs) and formulate environmental policies.

5. Belize is also a signatory of the United Nations Framework Convention on Climate Change (UNFCCC), ratified on October 31, 1994. The First National Communication to the UNFCCC (July 2002) states that Belize has been identified as one of those countries most vulnerable to the adverse impacts of climate change. It is therefore imperative that climate resilience and mitigation measures are identified for the country's most vulnerable sectors and that steps be undertaken for the implementation of the more viable options. Although little information is currently easily available for baseline forest carbon/climate mitigation, Belize is in a unique position to contribute to the global objectives of climate change mitigation via reducing emissions from deforestation and forest degradation (project start-up activities will help gather the baseline data). According to the Initial National Communication of Belize to the UNFCCC, over 69% of the country's GHG emissions come from the Land Use Change and Forestry Sector. Therefore, interventions to avoid deforestation and to aid reforestation of degraded forest lands would significantly enhance the country's potential for climate change mitigation. Since the deforestation rate in Belize's protected areas is significantly lower than outside the protected areas (Cherrington et al, 2010), enhancing protected areas management would bring both climate change mitigation and biodiversity conservation benefits. Thus, the proposed Project would support many of the measures identified in the First National Communication such as introduction of forest management plans, promotion of agro-forestry, restoration of abandoned agricultural lands, establishment and maintenance of protected areas, and development of national forest fire management plan.

6. The Project is also aligned with the strategic thrusts in the National Poverty Elimination Strategy and Action Plan 2009-13 (NPESAP), specifically on i) effective mitigation against effects of climate change and natural disaster, and ii) reduction in citizens' vulnerabilities to catastrophic disasters, and with the Medium Term Development Strategy, "Building Resilience against Social, Economic and Physical Vulnerabilities" (MTDS, 2010-2013), which is closely linked to the NPESAP. In addition, a long-term development plan, Horizon 2030, describes the main Government priorities and challenges and highlights the central role of sustainable environment and natural resource management in the Belizean economy.

Relationship to CAS

7. The proposed Project is part of the Bank's Country Partnership Strategy (FY12-FY15) which focuses on supporting the Government to achieve "Inclusive and Sustainable Natural Resource-Based Growth and Enhanced Climate Resilience." The design of the CPS was based on

(a) wide Government and non-government stakeholder consultation in Belize, (b) the need for selectivity in the areas of intervention, (c) an evaluation of other donor programs to ensure the CPS fills key gaps/complements other donor programs in order to most effectively address the country's development challenges, and (d) the Bank's comparative advantage and the potential impact it could have given the importance of natural resources in Belize's development and growth prospects. Hence the proposed Project to protect the natural capital of Belize would help improve growth prospects and benefit the poor who tend to depend on natural resource-driven sectors in Belize.

II. Proposed Global Environmental Objective(s)

Key Results (From PCN)

The main expected key results are:

- Increased areas brought under enhanced sustainable forest management practices in targeted area (ha)
- Increased management effectiveness of Pas in the targeted KBAs (as measured by the GEF Management Effectiveness Tracking Tool)
- Diversified household income through community-based sustainable use of ecosystem goods and services
- Strengthened capacity for compliance monitoring and enforcement of key agencies responsible for environment as measured by reduction in forest/bush fires from the baseline figure.

III. Preliminary Description

Concept Description

11. To address the challenges described above and based on the principle of site conservation, the Project would support the forest protection/sustainable forest management and conservation of biodiversity in Key Biodiversity Areas (KBAs) in Belize. Site conservation is among the most effective means to reduce biodiversity loss. Therefore, it is critical to identify those sites where unique biodiversity must be conserved immediately. To this end, the concept of KBAs has been developed by global practitioners, seeking to identify and, ultimately, ensure that networks of globally important sites are safeguarded. This methodology builds up from the identification of species conservation targets (through the IUCN Red List) and nests within larger-scale conservation approaches. Sites selection is driven by the distribution and population of species that require site-level conservation. In 2007, a collaborative effort by the Government of Belize, Belize Tropical Forest Studies, Conservation International, and the Critical Ecosystem Partnership Fund resulted in the definition of the KBAs in Belize as detailed in the report "Establishing a Baseline to Monitor Species and Key Biodiversity Areas in Belize" (Jan C. Meerman, 2007). Ultimately, 39 IUCN listed species counted for the KBAs analysis. The resulting KBAs fall into roughly 2 large blocks (over 250,000 ha) and a number of isolated sites (over 45,000 ha):

- Selva Maya with Rio Bravo Conservation Area (104,897 ha), Aguas Turbias National Park (3,541 ha) and Gallon Jug Private Management Area (54,154 ha);
- Maya Mountains block including Vaca Plateau (14,118 ha), Mountain Pine Ridge (43,372 ha) and Manatee River forest Reserve (36,621 ha); and,
- A number of smaller, discrete areas including Sartoon Temash National Park (16,938 ha),

Aguacaliente Wildlife Sanctuary (2,213 ha), Golden Stream (6,085 ha) and Rio Grande Private Protected Areas, Peccary Hills (including Runaway Creek Nature Preserve (6,547 ha)) and Crooked Tree Wildlife Sanctuary (15,372 ha).

12. The proposed Project will promote environmentally sustainable community development activities for the local population, providing incentives for conservation while strengthening local livelihoods. These activities will be directly implemented by local landholders, fishers, and agriculturalists. Involvement of women will be prioritized within the project. Based on the positive experiences of the WB/GEF MesoAmerican Barrier Reef project and the WB/GEF MSP Community Managed Sarstoon Temash Conservation Project, it is evident that these types of activities have been successful and effective in Belize. The outcomes of these activities are increased incomes, improved land conditions, and sustainable alternative job opportunities.

13. The Project would support the strengthening of legal framework of PAs in response to the urgent need in the face of rising pressures. For example, the “ministerial discretion” loophole gives ministers discretionary powers to (a) de-reserve PAs without the need for public consultations, and (b) approve projects rejected by the Department of Environment based on recommendations of the Environmental Impact Assessments (i.e., in essence overrule the EIA). Another factor driving deforestation in Belize is the existing land tenure legislation, which requires that leased lands that are forested must be “developed” by the owners or their leases would be revoked. This provides enormous incentive for landowners to clear the land in an effort to meet the requirements of ‘development’. However, it has been observed that many of these lands lie idle after they have been cleared since the landowners lack the capital to engage in alternative land uses. Hence simple amendments to the existing land tenure law could have a significant impact on biodiversity conservation, the deforestation rate and the subsequent fragmentation of Key Biodiversity Areas and forests.

14. The Project would contribute to addressing inadequate implementation and enforcement of environmental and natural resources management actions through training of staff in the key agencies and equipping them with the necessary tools and capacities. While EIA exists as a legal requirement, its implementation has been affected by various reasons. For example, while the National Environmental Assessment Committee (NEAC) is charged with reviewing EIAs, the minister can use discretionary powers to overrule the decisions of the NEAC. The institutions that are directly responsible for the management of Belize’s environment and natural resources (e.g., Department of Environment, Forest Department, Fisheries Department, Coastal Zone Management Authority and Institute) are under-funded, understaffed and in many cases lack the capacity to perform their basic functions. For example, the Department of Environment (DoE) currently has about 15 staff that can scarcely cover the mandate given to the DoE under the Environmental Protection Act. The Forest Department has just under 40 staff charged with managing protected areas (PAs), licensing, monitoring and enforcement within and outside PAs.

15. The project would be financed by a US\$6.085 million GEF grant and US \$16 million in co-financing through a mixture of loan and grants. The proposed project design includes four components:

16. Component 1: Supporting Forest Protection and Sustainable Forest Management Activities in Key Biodiversity Areas (GEF US\$2.18 million; co-financing US\$8 million): This component will evaluate current forest assets within the KBAs in order to prioritize areas of high conservation

value. Once these areas have been identified, the project will seek to develop a host of activities with and around these areas. These include: training of agency officials and local communities to reduce the incidence of anthropogenic forest fires, reduce illegal logging, and increase monitoring of the protected areas (e.g., Forest Reserves). This component will leverage extensively a number of innovative Information and Communication Technologies (ICT) applications, both for evaluation and prioritization of KBAs as well as for monitoring of protected areas. Mapping tools, such as a Geographic Information System (GIS), will be used for identification and evaluation of key forest assets in KBAs. An interactive citizen web portal will allow local communities to report geo-coded information on threats to those areas, both online and via text messaging, and will aid in monitoring of protected areas. In addition, this component will establish sustainable development activities with local communities in the targeted areas in order to reduce the encroachment pressure on forest resources. The component would also support simple amendments to the existing land tenure law to remove the requirement that leased forested land needs to be cleared in order to demonstrate 'development' of the same.

17. Component 2: Promoting Effective Management of Key Biodiversity Areas (KBAs) (GEF US\$2.598 million; co-financing US\$5 million): This component seeks to enhance effective management of the KBAs through strengthening the legal framework for PAs and taking measures to control encroachment and illegal farming, hunting, logging and harvesting of NTFPs in targeted areas. Specifically, the component would support the (a) establishment or upgrading of a functioning management system in the targeted protected areas (including management plans and the capacity and resources to implement the plans to achieve the areas' biodiversity protection goals), and (b) review and amendment of the relevant laws with a view to removing the ministerial discretion to de-reserve PAs without public consultations. In addition, specific measures would be undertaken to delineate and mark PA boundaries where this is deemed critical to supporting enforcement efforts. Where necessary, surveyors equipped with GPS-enabled devices will capture the exact coordinates of the boundaries of the PAs, and will upload them to the main GIS database. Once verified, the updated maps of the PAs will be made available to the public on an open platform. The component will also support rehabilitation/restoration of critical areas (e.g., watersheds) through community-based activities, which will be reported to the GIS as Project-specific data. Where appropriate, it will promote market-based actions, such as sustainable harvesting and marketing of NTFPs and payments for ecosystem services, to foster local benefits that justify continued high level protection of PAs and help to reduce pressure on KBAs. An intensive awareness raising campaign would be also carried out to increase the understanding and following buy-in of the local stakeholders including local fishermen, tourism business owners, and NGOs. The component would support targeted livelihood options that enhance the socio economic existence between protected areas, natural resource management, and local communities. Some of the critical habitats in the KBAs have current uses and are indeed on private land. Some of the protected areas are indeed Private Reserves. Thus, creating management regimes, in conjunction with private landowners where needed, may in such cases be sufficient. The Belize Association of Private Protected Areas would be fully involved in project preparation and implementation as this greatly complements public efforts while increasing the areas (ha) outside PAs that are managed in a biodiversity-friendly manner.

18. Component 3: Institutional Strengthening & Capacity Building for Enhanced Enforcement of Environmental Regulations (GEF US\$1 million; co-financing US\$2 million): This component will support the various designated agencies charged with safeguarding Belize's natural resources (e.g., Forest Department, Department of Environment, Geology and Petroleum, Lands and Survey,

Fisheries Department, Coastal Zone Management Authority and Institute, Belize Agricultural Health Authority, etc) to enhance their enforcement and coordination capacity for environmental regulations. Training of staff in the key agencies and equipping them with the necessary assessment and compliance monitoring tools and capacities would be supported. Specialized ICT tools for compliance monitoring will be developed, to a large extent leveraging the GIS platform developed above, as well as applications designed to automate workflows and registries (including KBAs, PAs, and forest licensing, among others) and to assist in improving communication with local communities, e.g. for tracking of reports and provision of timely feedback about agency response. Specialized training will be provided to agency staff on the use of these tools. While EIA exists as a legal requirement, its implementation has been affected by various issues. For example, while the National Environmental Assessment Committee (NEAC) is charged with reviewing EIAs, the minister can use discretionary powers to review the decisions of the NEAC. Hence the component would support capacity enhancement in this area by: (a) establishing EIA certification process under the Department of Environment (DoE), (b) strengthening the NEAC by establishing clear TORs, (c) increasing NEAC autonomy and transparency of procedures by regular update and publication of the Committee's decisions (on publicly accessible websites), (d) removing the discretionary power of the Minister from the Act and the EIA Regulations. Because of Belize's vulnerability to climate change and the related need for ecosystem-based adaptation measures, the NPASP would be reviewed and updated in order to capture climate change considerations especially in its implementation.

19. The component will also support enhancing capacity of the key departments in the MNRE through: (a) training of in-house staff, (b) targeted partnerships with the private sector to improve the monitoring of natural resource use, (c) strengthening of civil society collaboration in natural resource management, (d) improving forest licensing mechanisms to foster the use of forests in a sustainable manner, and, (e) enhancing and modernizing the co-management agreements for PAs.

20. Component 4: Project management, monitoring and assessment: This component will provide administrative, financial, and technical support to the Project, and to the design and implementation of a monitoring, assessment, and systematization program. Monitoring will include stakeholder involvement, sustainable economic activities, and overall Project implementation. An impact evaluation based on the social and environmental effects of the sustainable economic activities is envisioned.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04	x		
Forests OP/BP 4.36	x		
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11			x
Indigenous Peoples OP/BP 4.10	x		
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	

Projects in Disputed Areas OP/BP 7.60			x
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V. Financing (in USD Million)

Total Project Cost:	22.09	Total Bank Financing:	0.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source			Amount
BORROWER/RECIPIENT			1.00
Global Environment Facility (GEF)			6.09
Global Environment Facility - Cofinancing Trust Funds			15.00
Total			22.09

VI. Contact point

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