



COUNTRY CASE STUDY - NAMIBIA

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Country	Namibia
Region	Africa
Key Result Area	Biodiversity Conservation
Project Title	Strengthening the Protected Area Network
Project ID	3121
Project Activity Dates	Start: 2006 End: 2012

SYNOPSIS

Strengthening the Protected Area Network (SPAN) is a six-year project (2006 – 2012) with US\$ 8.55 million in GEF financing and US\$ 33.68 million in co-financing, including its preparatory phase (2004 – 2005). The Project aims to strengthen the management effectiveness of the national protected area (PA) system in Namibia. This work, in turn, is expected to unleash the economic potential of the PAs, thus contributing to national development. In order to achieve its objectives, the Project builds capacity for park management at three levels by removing existing barriers hindering the management performance of the PA system. These three levels of intervention are: (1) strengthening systemic capacity, namely the enabling legal/policy environment and the financial mechanisms for PA management; (2) strengthening the institutional capacity for PA management; and (3) demonstrating new PA management approaches at four field demonstration sites.

PROJECT OUTCOME

The project aims at responding to **Millennium Development Goal 7: Ensure Environmental Sustainability; Target 7b: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss;** and **Indicator: 7.6 Proportion of terrestrial and marine areas protected.**

PROJECT OBJECTIVE

The SPAN Project addresses a number of existing barriers that hinder effective management of the national protected area (PA) system of Namibia. One such barrier is the undervaluation of the ecological and economic values of the PAs, and the subsequent under-investment in PA management. Insufficient financial resources limit PAs' management effectiveness, thereby threatening the ecosystem services and biodiversity that the PAs seek to protect. Therefore, this project aims to establish sustainable financing mechanisms for the PA system.

Before the project intervention in 2004, the annual budget of the Ministry of Environment and Tourism (MET) for park management was approximately US\$ 7 million. This budget was considered to be a fraction of the funds necessary to adequately manage the PA system—which accounts for 17% of the national land surface area (140,394 km²). The actual cost of managing parks was not known; thus there was no correlation between the budget amount and what was actually required to manage each park and the national PA system as a whole. This approach to budgeting led to reactive thinking, rather than needs-based budgeting aimed at achieving park objectives.

On the side of revenue from PAs, the park entrance fees were paid into the Government Treasury, with no earmarking of revenues reinvested in park management. This situation gave park managers little motivation to increase and diversify revenue from PAs. In addition, there was a significant backlog of park management infrastructure maintenance, resulting in dilapidated infrastructure and facilities.

PROJECT RESULTS

To date, the Project has made tremendous progress in its effort to secure sustainable financing for the PAs. A comprehensive economic analysis of the PA system was funded by the Project as a preparatory activity in 2004. The results indicated that the PA system contributed up to 6% of the GDP through park-based tourism—without including other ecosystem services values—and that the economic rate of return on the government investment in the PA system over 20 years was as much as 23%. Using these study results, the MET has increased the annual budget for park management and development by 310% in the last four years. The Ministry of Finance has agreed to earmark 25% of the park entrance revenue. Those funds are now reinvested in park and wildlife management through a trust fund, providing up to US\$ 2 million additional sustainable financing per annum.

The Project's study also led to successful mobilisation of a large amount of additional donor funding for PAs, including US\$ 67 million from the US Government's Millennium Challenge Account (MCA) with US\$ 40.5 million direct investment in Etosha National Park management infrastructure—the MCA's first biodiversity-based tourism project and investment in parks by its poverty alleviation grant. This investment is testimony to the MCA's realisation and recognition that park management effectiveness has great impacts on poverty alleviation. The MCA project was established in Namibia this year and a strong collaboration between the SPAN and MCA tourism projects has already started. The SPAN Project also catalysed a significant amount of German Government support—through the KfW Bankengruppe—for the Bwabwata, Mudmu and Mamili (BMM) Parks, which is one of the four field demonstration sites of the Project. In addition to the originally pledged co-financing of € 2.5 million for park management planning and infrastructure development in the BMM Parks, the KfW recently approved an additional € 9.5 million to complete the required infrastructure development.

Moreover, with Project support, in 2007 the Cabinet approved the National Policy on Tourism and Wildlife Concessions on State Land, which aims to unleash the economic potential of PAs. In order to implement the Policy, the Concession Unit was established within the MET and a multi-agency Concession Committee was also established to review concession applications. In the two years since the Concession Unit was established, more than 20 new tourism and hunting concessions have been approved, generating over US\$ 1 million per year as concession fees payable to the Government. A majority of these concession rights in PAs are granted to communities neighbouring the PAs, directly benefiting local people from concession revenue and jobs created from the concessions.

Furthermore, park business plans were developed for six national parks, enabling the park managers to define costs and identify and execute ways to meet those costs.

KEY ELEMENTS OF SUCCESS

- Funding of a comprehensive PA economic valuation study in preparation for the Project's implementation phase, enabling the Project to implement the sustainable funding component from its start;
- Effective use of that study by the MET and the Project in lobbying for an increased government budget allocation for park management, through publication of the report, production of a lobbying booklet, and integration of the study's data and information into the government's budgeting and budget motivation processes;
- Timely and effective use of the study's results in mobilising additional co-financing, in particular the US\$ 67 million MCA poverty grant for the tourism project;
- Long-term and gradual lobbying of the Game Products Trust Fund Board for official earmarking of 25% of park entrance fees for park management support; and
- Timely deployment of a PA Tourism and Concession Specialist to support the MET in establishing the Concession Unit to implement the Concession Policy, and in increasing financial and economic benefits from PAs.

LESSONS LEARNED

In order to make a strong case for earmarking or retaining PA revenues for PA management, an accurate estimate of PA management costs, the financial and economic benefits of the PAs, and the values of biodiversity and ecosystem services must be determined and presented. In particular, showing the PA system's direct contribution to poverty alleviation and other national development objectives is critical to making the case for retaining PA revenues for PA management.

With greater awareness of the PA system's significant economic contribution and business opportunities, however, political interests and pressures increased. Therefore, there is a need for ensuring that the essential elements of biodiversity and ecological processes are safeguarded from these strong economic interests. Also, the equitable distribution of benefits from PAs and their contribution to poverty alleviation must be ensured. For this, a robust and transparent procedure for awarding concession rights is essential. Finally, the park management and Concession Unit must possess a strong technical capacity to develop and monitor concessions that yield both environmental and economic benefits.

IMPLEMENTATION PARTNERS

- Government of Namibia (Ministry of Environment and Tourism, Ministry of Finance)
- Millennium Challenge Cooperation (MCC)
- German Government (KfW Bankengruppe)
- Conservation International

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