

Piloting Natural Resource Valuation within Environmental Impact Assessments



Project Title:	Piloting Natural Resource Valuation within Environmental Impact Assessments
Project Number:	#00070518, PIMS 3619
Country:	Jamaica
Project Budget:	US\$470,250 GEF
Funds Committed for Reporting Period:	US\$15,917.11
Award No./Date of PO/ etc.:	AtLAS ID 00057157
Partnership Strategy:	National Environment and Planning Agency
Project Duration:	3 Years
Reporting Period:	January 2009 – December 2009
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Projects Planning & Monitoring Branch

28 April 2010



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I. Executive Summary

The NRV project has an immediate objective to develop a set of natural resource valuation tools, and incorporate these into the policies and procedures governing the preparation and use of Environmental Impact Assessments (EIA). The project will demonstrate the use of these techniques to improve the decision-making process concerning economic development projects that may potentially affect the environment. The project will employ a strategy of targeted capacity development activities to develop a set of natural resource valuation tools that are particular to the Jamaican context, and provide training on the use of these tools.

Although the project was off to a slow start, the technical works have commenced by the UWI-ISD whom have been engaged as the LEE. Up to the quarter January 2010 to March 2010, only 3% of the funds allocated for the project was spent, as funds were only expended for the Project Management component, office supplies and advertising costs.

Recruitment process for the new Project Manager has also commenced. The person should be in position by May 2010.

II. Introduction

A. Background

Jamaica completed its National Capacity Self Assessment (NCSA) in September 2005, which served as a comprehensive examination of the country's capacity to implement the Conventions within a national institutional framework, as well as to identify the need and benefits of undertaking a coordinated and cross-sectional approach to natural resource and environmental management. The NCSA identified the issue of governance as a key area to be addressed in strengthening the institutional framework for the effective implementation of the three Rio Conventions (CBD, CCD, and FCCC). Consequently the NCSA Action Plan recommended the development of a project proposal for "Strengthening and Developing of Environmental Management Tools for Effective Governance and to Address Institutional Strengthening in Jamaica in Response to Priority Areas of Action in the NCSA".

The global environmental objective of this project is to facilitate decisions that promote environmentally sound and sustainable development within the framework of Environmental Impact Assessments (EIAs), given their explicit priority within the Rio Conventions and national reports and communications. The proposed project will pilot natural resource valuation tools within the framework of an EIA, in the Cockpit Country, an area of high endemism, storing over 30% of Jamaica's water supply, and containing vast wealth in the form bauxite. The Cockpit Country is under increasing threat due to rising prices of the bauxite ore and national priority of improving socio-economic development. This site was selected on the basis of in-country consultations. See Annex 1 for further details on the Cockpit Country.

The development of natural resource valuation tools will provide an opportunity Strategic Environmental Assessments (SEA's) to be greatly improved in order to make better predictions of possible consequences of policy interventions, facilitating the development of strategies to reduce policy resistances and facilitate the consideration of environmental risks and impacts associated with the implementation of government policies. By providing a more robust and comparable valuation method for natural resources, consequences of development policies, programmes and plans will be better evaluated so as to promote biodiversity conservation; minimize, if not reduce the risks associated with land degradation; encourage climate change mitigation and adaptation strategies; and promote environmentally sound and sustainable development

B. Project Goal and Objectives

The goal of this project is to strengthen the review and approval processes of policies, programmes, plans and development projects in order to promote environmentally sound and sustainable development that meets national socio-economic priorities. This project will contribute to the implementation of Pathway III – Targeted Cross-cutting Capacity Building - of the GEF Strategic Approach to Enhancing Capacity Building and responds to GEF strategic priorities with regard to stand alone cross-cutting capacity building – CB-2. It will also contribute to the implementation of integrated and synergetic approaches to GEF focal areas by providing capacity building support that is needed across the targeted Conventions, hence generating multiple global environmental benefits across the GEF focal areas.

The immediate objective of this project is to develop a set of natural resource valuation tools, and incorporate these into the policies and procedures governing the preparation and use of Environmental Impact Assessments (EIA). The project will demonstrate the use of these techniques to improve the decision-making process concerning economic development projects that may potentially affect the environment. The project will employ a strategy of targeted capacity development activities to develop a set of natural resource valuation tools that are particular to the Jamaican context, and provide training on the use of these tools¹.

C. Project Outcomes

At the end of the project, the Government of Jamaica will be better enabled to make more informed decisions by placing greater value to ecosystem functions within the framework of environmental impact assessments of development projects. Specifically, the environmental impacts of all proposed major development projects would be assessed in terms of their financial and economic values, in order to make more informed decisions, approvals, rejections or conditions for permits.

D. Project Coordination

A Project Management Unit was established within NEPA, and was staffed with a Project Manager. The initial project document recommended that the PM also had enough experience and knowledge to be the Lead Economic Expert (LEE); however, due to the difficulty experienced by NEPA to attain someone with both skills, NEPA sought and received approval from the UNDP to engage two separate consultancies related to PM and LEE. The Agency has also engaged the Institute for Sustainable Development at the UWI (Mona) as the LEE to work on the Technical Aspects of the project.

¹ This project was identified as a priority in the NCSA Final Report, p. 56.

III. Progress Review

EXPECTED OUTPUTS AND INDICATORS	PLANNED ACTIVITIES	PLANNED BUDGET (In USD)	EXPENDITURES (In USD) This should reflect overall figures, not divided into different sources and should be based on the "Combined Delivery Report" in Atlas	RESULTS OF ACTIVITIES For each planned activity, state the result of the activity. Avoid the mere repetition of the planned activities and be as specific as possible	PROGRESS TOWARDS ACHIEVING OUTPUTS Using data on annual indicator targets, state progress towards achieving the CP outputs. Where relevant, comment on factors that facilitated and/or constrained achievement of results including:
<p>OUTCOME 1.1: Development of NRV tools and techniques appropriate to Jamaica.</p> <p>Development of a NRV Sourcebook, which includes a literature review.</p>	<p>Within six months of project initiation, an assessment of current experiences and theories in the use of natural resource valuation tools and techniques conducted</p> <p>By the beginning of year 2, an independent assessment of the natural resource valuation sourcebook conducted</p> <p>By the end of the project, the natural resource valuation sourcebook updated to incorporate lessons learned from the pilot EIA project</p> <p>By the end of year 1, new guidelines for EIAs developed that incorporate natural resource valuation, and updated periodically during project implementation</p>	155,000	355,56	<ul style="list-style-type: none"> • UWI-IRD has been selected as the Lead and Local Economic Experts (LEE) • The following activities have commenced by the Environmental Economists: <ul style="list-style-type: none"> - Review of the current EIA process to integrate NRV within EIA - Development of an implementation plan for undertaking the integration of NRV into EIAs - Facilitation of technical consultations to institutionalize NRV into government and private sector planning - In-depth literature review on NRV. This document will be collated and will be readily available as a set of accessible references (hard copy within NEPA and internet) - Initial development of a sourcebook of best practices for NRV, within the Jamaican context. 	<p>The Outputs were greatly delayed due to issues related to engagement of appropriate services and later, copyright and termination clauses of the contract between the UWI and NEPA.</p>
<p>OUTCOME 1.2: NRV Tools piloted within the framework of an EIA</p>	<p>Pilot EIA project proposal that integrates the use of natural resource valuation developed and approved</p> <p>Independent evaluation of the pilot EIA project conducted</p> <p>Lessons learned from pilot project are widely disseminated</p> <p>Recommendations for the development SEA implementation guidelines provided</p>	109,750	2,538,25	<ul style="list-style-type: none"> • Activity not yet started • Advertisements placed in local newspapers for all project positions 	

EXPECTED OUTPUTS AND INDICATORS	PLANNED ACTIVITIES	PLANNED BUDGET (In USD)	EXPENDITURES (In USD) This should reflect overall figures, not divided into different sources and should be based on the "Combined Delivery Report" in Atlas	RESULTS OF ACTIVITIES For each planned activity, state the result of the activity. Avoid the mere repetition of the planned activities and be as specific as possible	PROGRESS TOWARDS ACHIEVING OUTPUTS Using data on annual indicator targets, state progress towards achieving the CP outputs. Where relevant, comment on factors that facilitated and/or constrained achievement of results including.
<p>OUTCOME 2: Capacities strengthened to use NRV within the framework of their review and approval processes</p>	<p>Curriculum on natural resource valuation developed and incorporated as a course offering in MIND</p> <p>Natural resource valuation curriculum integrated into course offerings of other academic institutions of higher learning</p> <p>NEPA staff and members of the NRCA Advisory Board and TRC responsible for reviewing proposed developments are trained on interpreting natural resource valuation data and information</p> <p>NGOs involved in community-based development actively participated in sensitization workshops on valuation tools</p> <p>Media outlets publish regular accounts of the issues concerning developments, subjected to EIAs, with particular reference to the opportunity costs of natural resource and environmental degradation</p>	150,500	540,73	<p>Initial Sensitization workshops have begun. These workshops are being held as part of the consultative process of the development of the NRV Tool.</p>	<p>Activity is slated for commencement in the 2nd year.</p>
<p>OUTPUT 3: Project Management</p>		55,000	12,482.57	<ul style="list-style-type: none"> • Project Steering Committee established • Project Work Plan and Budget reviewed and approved by the PSC • Project Management Unit established 	
<p>TOTAL:</p>		\$ 470,250	\$15,917.11		

IV. Challenges and Lessons Learned

The NRV PMU took a while to be established. The initial expertise required was a LEE who would also be the PM. However, a person with the two specializations was difficult to locate, as when the advertisements were placed in the local media and on the NEPA and UNDP websites, no one applied. Recognizing this as the limiting factor, NEPA sought and received approval from the UNDP to split the consultancy. Consequently, the agency advertised for a PM who was in place by March 2009. Between March 2009 and December 2009, the Agency was in the process of engaging the consultancy for the Lead Economic Expert (LEE), which once again proved challenging as the relevant expertise in the country was limited. After a lengthy process, the Institute for Sustainable Development (UWI-Mona) was selected as the LEE.

Once the UWI-ISD was selected there were further delays pertaining to the Termination and Copyright clauses of the contract. Once sorted, the LEE commenced work with the revised Workplan that was approved by the PSC.

The PM that was engaged in March 2009 resigned in January 2010. NEPA has since then been trying to get a replacement.

V. Partnerships and Sustainability

Partnerships were made via the establishment of the Project Steering Committee, which first convened on May 14, 2009. The PSC was established to provide general guidance to the administration of the Piloting Natural Resource Valuation within Environmental Impact Assessments Project over the three year period.

The PSC has representation from the following agencies/ institutions/ ministries/ university:

- The Forestry Department
- Jamaica Bauxite Institute
- Jamaica Conservation and Development Trust
- Ministry of Agriculture
- Ministry of Finance
- Ministry of Tourism
- Office of the Prime Minister - Environmental Management Division
- Planning Institute of Jamaica (PIOJ)
- The Nature Conservancy (TNC)
- United Nations Development Programme (UNDP)
- The United States Agency for International Development (USAID)
- Windsor Research Centre
- National Environment and Planning Agency
- University of the West Indies, Mona
- Water Resources Authority

Specifically the Committee will:

- (i) Address any critical issues related to project administration that may arise during the course of the project
- (ii) Review and approve the work plan and any proposal for modifications that may subsequently be made
- (iii) Monitor milestones and the timeliness of project deliverables;
- (iv) Review the Project Coordinator's/Project Manager's status reports.
- (v) Participate if necessary in the selection of the project personnel
- (vi) Monitor outputs and deliverables of the project

VI. Financial Summary

The original budget that was approved for the project did not have line items for the procurement of Office Supplies and for advertisement costs. As such, the following lines were adjusted to make allocation for the two new lines above:

US\$2,500 from 71200 International Consultant: Actuary to Advertisement

US\$2,500 from 71600 Travel to Pilot Sites to Advertisement

US\$2,000 from 72100 Publish Sourcebook to Office Supplies

NRV Project

Project Costs and Projected Expenditure for the period January 2009 to March 2010

GEF Outcome/ Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Account Code	ATLAS Budget Description	All amounts in USD		
					Budget	Expended	Unspent
OUTPUT 1.1: Development of NRV Tools	NEPA	62000	71200	International Consultant: Actuary	15,500.00	-	15,500.00
			71200	International Consultant: Economist	15,000.00	-	15,000.00
			71300	Local Consultant: Economist	112,000.00	-	112,000.00
			72100	Contractual services (Publish Sourcebook)	8,000.00	-	8,000.00
			72500	Office Supplies	2,000.00	355.56	1,644.44
				Total Output 1.1			152,500.00
OUTCOME 1.2: NRV Tools piloted in an EIA	NEPA	62000	71300	Local Consultant: EIA Expert	10,000.00	-	10,000.00
			71300	Local Consultant: Economist	84,750.00	-	84,750.00
			71600	Travel: Pilot site visits and lodging	12,500.00	-	12,500.00
			74210	Printing and Publications (Media Advertisement)	5,000.00	2,538.25	2,461.75
				Total Outcome 1.2			112,250.00
OUTPUT 2: Training and Sensitization on NRV	NEPA	62000	71200	International Consultant: Economist/Actuary	19,500	-	19,500.00
			71300	Local Lessons Learned Consultant	7,500	-	7,500.00
			71300	Local Consultant: Economist	15,000	-	15,000.00
			72100	Contractual Services: Publish NRV Training Material	10,000	-	10,000.00
			72100	Contractual Services: Training Institutions Implement course offerings	30,000	-	30,000.00
			72100	Contractual Services: NRWIA Training Workshops	32,000	-	32,000.00
			72100	Contractual Services: Sensitization and Public Awareness Workshops	21,500	540.73	20,959.27
			72100	Contractual Services: Publish Lessons Learned Material	15,000	-	15,000.00
				Total Outcome 2			150,500
Project Management	NEPA	62000	71300	Local Project Manager	45,000	12,482.57	32,517
			71800	Local Transportation	10,000	0	10,000
				Total Project Management			55,000.00
PROJECT TOTAL					470,250.00	11,917.11	458,332.89

