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United Nations Development Programme Country: Papua New Guinea

UNDP GEF PIMS 5261
Atlas Award: 00087986 and Project ID: 00094837

PROJECT DOCUMENT

Project Title: R2R Strengthening the Management Effectiveness of the National System of Protected Areas

UNDP Strategic Plan Environment and Sustainable Development Primary Outcome: 1. Growth and development are inclusive and sustainable incorporating productive capacities that create employment and livelihoods for the poor and excluded
Outcome Indicator: 1.5. Hectares of land that are managed sustainably under a conservation, sustainable use or access and benefits sharing regime

Expected CP Outcome(s): Reduced vulnerability to natural disasters and climate change, improved environmental and natural resource management, and promotion of energy conservation through access to affordable and renewable energy, particularly in off-grid local communities

Expected CP Output(s): Enhanced institutional and communities' capacity for environmental conservation and use of natural resources

Executing Entity/Implementing Partner: Conservation and Environmental Protection Agency (CEPA)

Implementing Entity/Responsible Partners: Conservation and Environmental Protection Agency (CEPA) and United Nations Development Programme

Brief description

The present project falls under umbrella of 'Strengthening the Management Effectiveness of the National System of Protected Areas' programme that will be implemented by CEPA (Outputs 1.1-1.4, Component 1) using National Implementation Modality (NIM) and by NGOs Woodland Park Zoo (Outputs 2.1 and 2.2, Component 2) and Tenkile Conservation Alliance (Outputs 2.3 and 2.4, Component 2). The present project covers Component 1 of the 'Strengthening the Management Effectiveness of the National System of Protected Areas' programme.

Component 1 will be implemented by CEPA and focuses on supporting management capabilities of the PNG State to oversee Protected Area Management through supporting the transition from DEC to CEPA, implementing the CEPA Act of May 2014, as well as the operationalization and implementation of the draft PNG Policy on Protected Areas (PNG PAP), component 1 focuses on four outputs: (i) Policies relating to PA Management and Biodiversity Conservation strengthened; (ii) Capacity of CEPA enhanced for effective management of the National PA System, (iii) Training Programs targeting PA managers institutionalized and (iv) Effective management of Varirata NP and its integration into the broader Sogeri Plains Landscape. The Varirata National Park (VNP) will be established as a national best practice example for PA management under CEPA leadership, and used as a testing ground for relevant implementation instruments for PA management. As such a biodiversity monitoring, law enforcement and other protocols, standards and guidance will be developed and tested with field staff. The expansion of the VNP to link into the larger Sogeri Plateau complex will be initiated, establishing a sizable protected area with visible ecosystem service protection. Sedimentation and siltation rates of key water reservoirs supplying the capital Port Moresby will be improved. Additionally livelihoods improvements for local land owners will be achieved and benefit sharing opportunities and mechanisms as set out in the PNG's Protected Areas Policy (PNG PAP) will be tested at this site. The total budget for Component 1 is US\$5,609,176.

Program Period 2012- 2017
Award ID: 00087986
Project ID: 00094837
PIMS #: 5261
Start date: July 2015
End Date: July 2020
Management Arrangements: NEX
PAC Meeting Date

Total resources required (total project funds):	US\$ 44,209,176
Total allocated resources	
Regular (UNDP)	US\$ 250,000
GEF TF	US\$ 5,609,176
Other:	
UNDP (parallel funds)	US\$ 350,000
Government	US\$ 38,000,000

Agreed by (Government): Gunther Joku, Managing Director, Conservation and Environment Protection Authority

Date/Month/Year

Agreed by (UNDP): Roy Trivedy, Resident Representative, UNDP

Date/Month/Year

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Acronyms

APR	Annual Project Review
CA	Conservation Area
CARR	Comprehensive, Adequate, Representative and Resilient
CBD	Convention on Biodiversity Diversity
CBO	Community Based Organisation
CCA	Community Conservation Areas
CEPA	Conservation and environmental Protection Authority
CIB	Cocoa Industry Board
CIC	Coffee Industry Corporation
DAL	Department of Agriculture and Livestock
DEC	Department of Environment and Conservation
DSP	Development Strategic Plan
ECCP	Enhanced Conservation Capacity Program
EE	Environmental Education
EMP	Ecosystem Monitoring Program'
ERC	Evaluation Resource Center
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIS	Geographical Information System
GoPNG	Government of Papua New Guinea
HR	Human Resource
ILUP	Integrated Land Use Planning
JICA	Japanese International Corporation Agency
M&E	Monitoring and Evaluation
MEC	Ministry of Environment and Conservation
METT	Management Effectiveness Tracking Tool
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTDP	Medium Term Development Plan
NBSAP	National Biodiversity Strategy Action Plan
NCC	National Conservation Council
NCDC	National Capita District Commission
NEC	National Executive Council
NG	National Government
NGO	Non-Government Organisation
NP	National Park
NPART	Regional National Protected Areas Round Table
NPAS	National Protected Area Systems Policy
NPWS	National Parks and Wildlife Sanctuaries
PA	Protected Area
PES	Payment for Ecosystem Services
PIF	Project Identification Form
PIR	Project Implementation Reports
PMT	Provincial Management Team
PNG	Papua New Guinea
PPP	Public Private Partnership
PPR	Project Progress Report
PR	Public Relations

PSC	Project Steering Committee
PSIP	Provincial Support Improvement Program
R2R)	Ridge to Reef
RCF	Research Conservation Foundation
RPART	Protected Areas Round Table
RTA	Regional Technical Advisor
SCCP	Strengthening Conservation Capacity Project
SIT	Sterile Insect Technology
TCA	Tenkile Conservation Alliance
TKCP	Tree Kangaroo Conservation Program
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNDAF	United Nations Development Action Framework
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
UPNG	University of Papua New Guinea
VNP	Varirata National Park
WMAs	Wildlife Management Areas
WWF	World Wildlife Fund
YUS	Yopno, Uruwa, Som (Names of major rivers in the area)

SECTION I: Elaboration of the Narrative

PART I: Situation Analysis

INTRODUCTION

1. The independent state of Papua New Guinea (PNG) occupies the eastern half of the island of New Guinea. It lies 10 degrees south of the equator and directly north of Australia, with many outlying islands to the north and east. PNG had a population of 7.06 million people in 2011. According to the 2000 census, 85% of the population lives in the rural areas, directly depending on ecosystem services for food security and livelihoods, while 15% lives in urban areas, towns and cities. The total land mass of PNG is 462,860 square kilometres. Of this land mass, 97% is held under customary land ownership, while 3% of the land has been converted to freehold and leasehold, where urban development has taken place. PNG's cultural and ethnic diversity is globally significant. About 848 different languages are listed for the country, of which 12 have no known living speakers. Seven million people live in multicultural customary communities. The physical geographical barriers contributed to the existing cultural diversity and complexity in PNG. PNG is likened to 'many nations' in a nation with diversity in geography, culture, language, and climate.

2. The country's large expanses of pristine habitat and high levels of biodiversity, coupled with its low level of human population, and indigenous peoples who have strong views for land ownership provide exceptional conservation opportunities. PNG encompasses some of the world's last great tracts of mature tropical rainforest and largest coral reefs. These forest and marine ecosystems, combined with a unique array of species that have evolved here in isolation, have made PNG one of the world's most important biodiversity hotspots¹. Arising from the above, threats impacting PNG's biodiversity and protected areas (PA) system include forest conversion and degradation from logging, mining, expanding industrial agriculture and a rapidly expanding largely rural human population with the expanding need for cash crops and subsistence gardens. Compounding all of this is the looming threat of climate change². The rugged terrain of PNG protects some of its forests and wildlife from outside threats, but risks are growing. Roughly 80 percent of lowland forests have been assigned to logging concessions or oil palm plantations. In the mountains, mines destroy land and pollute rivers, and unsustainable levels of hunting persist. Concerning marine resources, foreign fishing fleets operate in PNG's offshore waters with little control, while overfishing due to growing local populations depletes reef fisheries.

3. The PA system in PNG has performed poorly over the past decades, with lack of political commitment, lack of political commitment and interests from extractive industries posing major threats, as well as local population pressures increasing. Although few biodiversity assessments are being undertaken in PNG, conservationists are concerned about the poor performance of the conservation and protected areas institutions. However, the Government of Papua New Guinea (GoPNG) has recently made a renewed commitment to support a viable and sustainable protected area system in the country, working in partnership with community landowners, non-government conservation organizations at national and community levels, private sector and local government administrations. The premise is that if local people are capacitated to manage their ecosystems and landscapes sustainably, they will in turn enhance the value of ecosystem services, secure more rights to benefit from ecosystem products and other natural

¹ Wildlife Conservation Society (WCS). 2014. Papua New Guinea. Retrieved September 24, 2014, from <http://www.wcs.org/where-we-work/asia/papua-new-guinea.aspx>

² UNEP & GEF. 2010. Papua New Guinea's Fourth National Report to the Convention on Biological Diversity

resources and ultimately improve their livelihoods. PNG's new Protected Areas Policy (PAPs) approved by National Executive Council in December 2014 and the CEPA Act of May 2014 provides the overall policy and legal framework for the newly established Conservation and Environmental Protection Authority (CEPA). Both instruments are intended to give new impetus to conservation priorities and pose an excellent opportunity to improve biodiversity conservation in the broadest sense in PNG. However, the renewed Government commitment has been limited by lack of capacities across the entire spectrum of environmental management. Weak capacity means that the policies and legal framework meant to guide institutions to achieve conservation objectives are not being implemented and enforced.

4. This project is part of a medium-term modular approach towards strengthening biodiversity conservation in PNG. It complements work undertaken under the GEF-4/ Australia supported *Community-Based Forest and Coastal Conservation and Resource Management* project (GEFSEC PIMS 3954) to develop models for conservation in the Owen Stanley Range in Central Province as well as Nakanai and Whiteman Ranges in East and West New Britain Provinces. A third module focusing on biodiversity financing is planned in consultation with various partners, which will focus on sustainable biodiversity finance (biodiversity offsets framework, concession bidding, development of effective fund management mechanisms such as trust funds).

CONTEXT AND GLOBAL SIGNIFICANCE

Biodiversity Context

5. The island of New Guinea (combining mainland PNG and Indonesia's West Papua region), is one of the world's Megadiverse regions, containing 7% of the world's biodiversity and is the third largest expanse of tropical rainforest following the Amazon and the Congo. PNG is composed of the following biomes/ecosystems: glacial (permanent equatorial glaciers), alpine tundra, savannah, montane and lowland rainforest, mangroves, wetlands, lake and river ecosystems, sea grasses, and coral reefs. The island of New Guinea supports an estimated 5-9% of the world's terrestrial biodiversity in less than 1% of the land area. It contains habitats ranging from alpine grasslands to cloud forests to lowland wet tropical forests, swamps and dry sclerophyll woodlands. PNG has some of the largest unpolluted tropical freshwater systems in the Asia Pacific region.

6. The island of New Guinea as a whole has more than 18,894 described plant species, 719 birds, 271 mammals, 227 reptiles, 266 amphibians and 341 freshwater fish species. Endemism probably exceeds 30% for PNG and is well over 70% for Papuasias (the region from New Guinea to the Solomon Islands). It is also important to note that large gaps remain in the scientific knowledge of PNG's biodiversity, and new species are regularly being discovered.

7. PNG's forests perform a number of crucial ecosystem services and ecological functions, the importance of which tends to be underestimated. The broad range of these services includes provisioning of food, fibre, cultural, medicine; regulation of water catchments and enhancement of water quality; global, regional and microclimate stabilization; soil and nutrient retention which is particularly important for the extensive cultivated gardens; insect and rodent control; crop pollination; and the maintenance of fish stocks. Riverine systems and estuaries also perform important functions, e.g. in wetlands management, transport of nutrients for offshore sea grass beds and reefs and stabilization of coastal systems.

8. The three landscapes chosen for the project each contain important species, ecosystem and functional values: the **YUS Conservation region** is home to a large number of endemic species, many of

which are under threat. This includes the Endangered Matschie's Tree Kangaroo (*Dendrolagus matschiei*), the Critically Endangered Western Long-Beaked Echidna (*Zaglossus bruijni*), the Near-threatened Emperor Bird of Paradise (*Paradisaea guilielm*), the Vulnerable New Guinea Vulturine Parrot (*Psittrichas fulgidus*), the Vulnerable Papuan Harpy Eagle (*Harpyopsis novaeguineae*), the Vulnerable Wahnes's Parotia (*Parotia wahnesi*) and the Near-threatened Dwarf Cassowary (*Casuarius bennetti*). The region is also home to two poisonous bird species: the Hooded Pitohui (*Pitohui dichrous*) and the Blue-capped Ifrita (*Ifrita kowaldi*). The protected area extends to the adjacent network of reefs, beaches and sea grass beds in the near shore area of the Bismarck Sea. This marine habitat serves as vital feeding and nesting sites of the Critically Endangered Leatherback Turtle (*Dermochelys coriacea*), and the globally Vulnerable Dugong (*Dugong dugon*). The region is home to a population of approximately 12,000 people residing in 50 villages and a number of hamlets. These communities have limited access to external markets and services, with transportation links limited to small aircraft providing an erratic service. These communities have no telecommunications facilities. As a result, they are entirely dependent on their immediate environment for food and shelter.

9. **The Torricelli Mountain Range** site contains a mix of lowland and mid-montane tropical rainforest with a high level of endemism. It is the only known landscape in which three species of tree kangaroo are found, all endemic: the Scott's Tree Kangaroo or Tenkile (*Dendrolagus scottae*), the Golden-mantled Tree Kangaroo or Weimag (*Dendrolagus pulcherrimus*) and the Grizzled Tree Kangaroo or Yon-gi (*Dendrolagus inustus*). Other endemic species include the Black-spotted Cuscus (*Spilogale rufoniger*) and the Northern Glider (*Petaurus abidi*). The Tenkile Tree Kangaroo, Weimag Tree Kangaroo, Black-spotted Cuscus and Northern Glider are all classified as Critically Endangered. The Endangered Palm Cockatoo (*Probosciger aterrimus*) is also found in the region. A recent camera trap study by the Tenkile Conservation Alliance also recorded new species of forest wallaby.

10. Currently, the **Tenkile Conservation Alliance** operates in the Torricelli Mountain Range, an area which contains 50 villages with more than 10,000 people, who depend on subsistence agriculture (gardens) and hunting. The broader landscape in which the proposed Conservation Area will be established includes an additional 100 villages with up to a further 20,000 people. The river systems that flow from this mountain range run through extensive lowland forests and support important coastal ecosystems including the Sissano Lagoon and extensive mangrove and coral reef formations.

11. **Varirata National Park and the Sogeri Plateau** protects an important ecosystem that is an ecotone between savannah and monsoon rainforest. The Park is famed for a rich variety of birdlife, with well over 200 species recorded, and was the first location at which the poisonous properties of the Hooded Pitohui (*Pitohu dichrous*) were described by science. Beyond its intrinsic conservation value, its proximity to Port Moresby makes the site of especially high conservation education significance, critical in building the conservation constituency in the emerging middle class; their support will be critical to sustaining investment in conservation country wide. The sustainable management of the broader Sogeri plateau is critical to preserve water regulation and provisioning services vital for the National Capital District and also to sustain livelihoods of the local land owners.

Protected Area System: Current Status and Coverage

12. Since Independence in 1975 there has been a significant shift in protected areas from those that exclude people (e.g. National Parks) to those where people are part of the protected area system (Wildlife Management Areas and more recently Conservation Areas). Given that 97% of the land in PNG is under customary ownership, it is appropriate that protected areas are inclusive rather than exclusive of people. Biodiversity is also regarded as important as many Papua New Guineans believe that they provide a sense

of cultural identity, recreation and spiritual enrichment. Biodiversity is an important part of all of their lives and add value to their agricultural and local areas in a number of ways.

13. The exact figures for the number of PAs existing and their actual extent vary from source to source, but indicatively PNG's terrestrial protected area system consists of approximately 53 PAs, totalling to 1,941,771 million hectares, which covers less than 4% of the land base.

14. PNG has committed to establish a comprehensive, effectively managed and ecologically-representative national system of protected areas, and the current categories and status are represented in Table 1. According to this classification, the PNG national PA System consists of three types of PAs: (1) National Parks and Wildlife Sanctuaries (NPWS) designated under the National Parks Act 1982 which are gazetted on freehold land and managed by the State; (2) Wildlife Management Areas (WMAs) designated under the Fauna (Protection and Control) Act 1966, which are managed by local communities on communal land for the conservation and sustainable use of wildlife resources, and; (3) Conservation Areas established under the Conservation Areas Act 1978, which allow communities to declare Conservation Areas on communal land, with these declarations being endorsed by the Government following the submission of a formal request.

15. However, the PAP³ sets out a revised classification system of PAs (See section on *Policy and Legislative Context*, below for details), and suggests a transition period for the actual reclassification of existing PAs.

16. At present, YUS is the only gazetted Conservation Area (CA) in PNG, but there are on-going plans to gazette two more CAs, including one at Torricelli. So far, PNG has made limited progress towards meeting the CBD terrestrial goal and NBSAP goal of 10% of land area under protection by 2010. It also falls far short of Aichi target 11 which requires 17% of terrestrial and inland water areas and 10% of coastal and marine areas be covered by PAs by 2020. This project will go some way in progressing towards these targets for terrestrial PAs.

Please see *Annex 1 – Programme Document* for detailed institutional, policy and legislative context analysis.

THREATS, ROOT CAUSES AND IMPACTS

17. The primary threats to biodiversity include forest conversion and degradation from logging, mining, expanding industrial and subsistence agriculture, driven by a rapidly expanding largely rural human population with expanding needs for cash crops and subsistence gardens.

The key threats to biodiversity and ecosystems, and their root causes include:

- 1) Small scale forest clearance;
- 2) Agriculture sector (cocoa and coffee production as the main cash crops and source of employment);
- 3) Expansion of low yielding agriculture;
- 4) Soil degradation;
- 5) Subsistence hunting, fishing and egg collection;
- 6) Small scale selective harvesting of timber and rainforest products;
- 7) Unsustainable marine ecosystem use;

The compounding threats are:

³ Government of Papua New Guinea. 2014. Papua New Guinea Policy on Protected Areas, GoPNG

- 1) Inappropriate fire regimes;
- 2) Invasive species;
- 3) Water pollution;
- 4) Climate change and projected climate induced changes;
- 5) Poverty in the face of plenty, poor access to amenities;
- 6) Complexity of customary land/marine ownership; and
- 7) Additional potential threats such as mining oil and gas exploration, road construction, commercial and logging

For details on threats, root causes and impacts as well as long term solutions and barriers to achieving the solutions also covering stakeholder and baseline analysis, please see *Annex 1 – Programme Document*.

INTRODUCTION TO PROJECT SITE INTERVENTIONS

18. The project will work at three specific project sites to provide a practical learning context for the operationalization of the PNG's draft Policy on Protected Areas Policy, one as a national example, and two as regional examples. Varirata National Park (VNP), situated just outside Port Moresby in Central Province, will serve as a working model for a National Protected Area. There are plans to expand the project site into the so-called Varirata-Sogeri Plateau complex, including the establishment of a conservation zone outside the Park in a new approach to engaging the local landowners in an expanded conservation effort. Two different examples of Regional Protected Areas are chosen to demonstrate (Community) Conservation Area work: (1) the YUS CA in Morobe Province, which already is fully registered as a CA, and (2) the Torricelli CA, which is still in the process of being gazetted and needs to finalise the application process.

19. The three project sites are:

- *Project Site 1: Varirata-Sogeri Plateau complex*
- *Project Site 2: YUS Conservation Area⁴*
- *Project Site 3: Proposed Torricelli Mountain Range Conservation Area*

STAKEHOLDER ANALYSIS

20. A detailed stakeholder involvement plan is found in SECTION IV, PART III.

BASELINE ANALYSIS

21. The current area of National Parks and Wildlife Sanctuaries (including Protected Areas, Provincial Parks, etc.) is relatively small. These areas are critical and are directly managed by the State. In theory they have the highest level of conservation security and should provide a benchmark for effective PA management in the country. Gazetted WMAs cover an area of 1.9 million hectares. These areas are generally of high conservation importance, however their conservation security is limited as they generally address faunal management only and lack an active management presence. CA are designed to manage fauna, flora and ecosystem service resources, and their management plans generally include an ongoing conservation and monitoring capacity drawn from the participating communities, e.g. through Community Rangers. At present YUS is the only gazetted CA in PNG, however there are on-going plans for at least two more, including Torricelli. All three PA types face growing threats, from encroachment on neighbouring lands leading to growing habitat insularization, from the overharvest of fauna and flora, and from human induced fires.

⁴ Brooks, 2012: YUS Landscape Plan 2013-15, <https://www.zoo.org/document.doc?id=904>

22. The recent efforts of updating of the policy and legal framework relating to PA management in PNG (see above) is a promising step by the GoPNG. Implementing the CEPA Act (2014) and implementing the PAP (2014) will, however, require a concerted effort from the sector as well as other government and non-government partners. The PAP places a focus on creating benefits and ownership for CCAs (including former CAs and Wildlife Sanctuaries) with the intent to improve incentives for conservation. Additionally the PAP aims to facilitate an innovative PA financing framework, for which a lot more detailed background work is required. The governance framework for the PNG PAP depends, especially for the management of Regional PAs, on decentralised government structure such as the Provincial Government, institutions which have to date very limited experiences in PA management. Few Provincial Governments have environmental portfolios, staff and budget allocations at this time.

23. CEPA will oversee all environmental conservation and protection functions in the Government, and will have the mandate to put in place an effective system to license and regulate all development activities that have an impact on biodiversity and the environment. The Authority by statute has the mandate to raise funds through fees and charges, including for example by mandating offset mechanisms for biodiversity lost through development activities. The Government estimates that CEPA's total operational budget will be approximately PGK30-40 million PNG Kina (approx. US\$15-20 million) per year, for a total of US\$75-100 million over the duration of the project.

24. Previous GEF support to biodiversity conservation in PNG includes three projects implemented by UNDP; the *Biodiversity Conservation and Resource Management Program* (GEF PIMS 347, 1991-1998), the *Community-Based Coastal and Marine Conservation in Milne Bay Province Project* (GEF PIMS 1261, 2002-2006) and the *PAS: Community-Based Forest and Coastal Conservation and Resource Management in PNG Project* (GEF PIMS 3954, 2011-ongoing). These projects have provided a number of important lessons which have informed the design of this project, including the importance of community involvement and community support for conservation efforts. The need for strong community support for conservation initiatives is a common thread running through all past conservation initiatives in PNG. The country's community-based resource management system coupled with local communities' strong dependence on their local environment for basic needs and livelihoods, requires that any new resource management regime (including conservation areas or protected areas) be carefully negotiated while respecting the needs and aspirations of participating communities. The lack of strong community buy-in hampered PA establishment attempts at Bismark Ramu and Lak in GEF PIMS 347, and inadequate attention to local needs and priorities also undermined the implementation of GEF PIMS 1261. The ongoing GEF PIMS 3954 project is strongly aware of this requirement, and is undertaking careful and extended community engagement and community entry processes at its target sites. The intricacies of the traditional land tenure system in PNG and the respective trade-offs by landowners for logging or other natural resource projects over conservation has previously been a barrier to GEF projects (especially in Lak) and is one that is not overlooked in the design of the current project. Targeted capacity building and investment in community education and awareness raising activities under Component 2 will complement existing programs undertaken by the project partners (TKCP and TCA) at respective CCA sites.

25. Institutional capacity development needs to be approached as a strategic, long-term endeavour, rather than through time-bound project activities. The extensive capacity-building support provided to DEC and other partners in PIMS 347 was not sustained post-project, and similarly the capacity-building activities undertaken in Milne Bay Province through GEF PIMS 1261 have had limited long-term impact. Recognizing this, current capacity-building efforts are being built around a longer-term, modular approach across a range of separate projects and initiatives. The initial policy and institutional capacity-building undertaken through the ongoing PIMS 3954 project provides the foundation on which Component 1 of this current project is based. Further institutional strengthening (e.g. in the area of

sustainable financing) is planned through future pipeline initiatives to be funded through Government resources as well as through donor projects.

26. Conservation activities at sites such as YUS and Torricelli (see also Site descriptions, above) are generally financed by external donors and conservation NGOs. Each site receives an average of US\$500,000 per year in support from a range of sources, however this funding is mostly ad-hoc and drawn from a variety of sources. YUS has an endowment of US\$2 million, which yields approximately US\$70,000 per year for basic management functions. YUS also received a sizeable grant from the German Government/ BMU (via Conservation International) in the past, which supported the establishment and operation of the YUS CA Management Committee and baseline conservation research and site management. As a gazetted CA, YUS has a management plan which is endorsed by the Government. The TCA in Torricelli has been implementing a long-term conservation strategy for the region that includes plans to establish an officially recognized CA, or, under the new PNG PAP Community Conservation Area (CCA). Baseline support to TCA includes approximately US\$1.7 million from the EU for safe water provision and was used to install water tanks for improved water supply in 320 locations across the landscape. The baseline investments at YUS and TMR are further expanded in the section *Introduction to project site interventions*, above.

27. District and Provincial Governments in the proposed site areas (including both Central Province and the National Capital District for Varirata) have development budgets averaging PGK10 million per year or approximately PGK60 million (US\$30 million) per year across the three sites. This funding is used for development and social service provision activities, including conservation-related activities, where requested by local communities. Examples of activities which are being funded include PGK5 million which has been allocated to upgrade the access road to Varirata National Park. Other conservation actors whose activities support the baseline project include conservation NGOs such as CELCOR and the Mama Graun Conservation Trust Fund.

28. *The Nature Conservancy and the Wildlife Conservation Society*: These organizations support a range of conservation activities on the ground as well as national-level policy advocacy and awareness-raising actions, the total value of which is estimated at approximately US\$2 million per year or \$10 million over the duration of the project.

PART II: Strategy

PROJECT RATIONALE AND POLICY CONFORMITY

Fit with the GEF Focal Area Strategy and Strategic Program

29. The project will support the strengthening of the national Protected Area system in PNG and will support the new PA governance framework introduced through the PNG PA Policy. The systems and capacities established in CEPA will be validated and demonstrated through the improved management of Varirata National Park as a flagship demonstration site for Papua New Guinea. It will also strengthen the management and conservation of two flagship sites, the YUS Conservation Area in Morobe and Marang Provinces and the planned Tenkile Conservation Area in the Torricelli Mountain Range in East Sepik and West Sepik Provinces. It will also develop and implement mechanisms to incentivize communities living in and to whom the land belongs in these two protected areas to better protect the biodiversity and to adopt more sustainable land use and forestry management practices.

30. The project is consistent with Objective 1 of the GEF's Biodiversity Focal Area Strategy, 'Improve Sustainability of Protected Area Systems'. The project will contribute to the following outcomes under Objective 1: Outcome 1.1 'Improved management effectiveness of existing and new protected areas'.

31. The project will contribute to the achievement of Objective 1 of GEF's Biodiversity outcome indicator 1.1 as follows:

GEF-5 Biodiversity Results Framework														
Objective	Expected Outcome	Expected Indicator (and project contribution to indicator)												
Objective 1 Improve sustainability of Protected Area Systems	Outcome 1.1 Improved management effectiveness of existing and new protected areas	Indicator 1.1 <u>Project contribution to indicator:</u> METT scores for the 3 protected areas will improve respectively as below:												
		<table border="1"> <thead> <tr> <th>PA</th> <th>Baseline METT</th> <th>Target METT</th> </tr> </thead> <tbody> <tr> <td>Varirata NP</td> <td>27</td> <td>50</td> </tr> <tr> <td>YUS CA</td> <td>57</td> <td>75</td> </tr> <tr> <td>TMR CCA (proposed)</td> <td>57</td> <td>72</td> </tr> </tbody> </table>	PA	Baseline METT	Target METT	Varirata NP	27	50	YUS CA	57	75	TMR CCA (proposed)	57	72
		PA	Baseline METT	Target METT										
		Varirata NP	27	50										
YUS CA	57	75												
TMR CCA (proposed)	57	72												

32. The project is also consistent with the GEFs Land Degradation (LD) Focal Area Strategy Objective 2 'Generate sustainable flows of forest ecosystem services in drylands including sustaining livelihoods of forest dependent people' and Objective 3 "Reduce pressures on natural resources from competing land uses in the wider landscape". The project will contribute to the following outcomes under Objective 2: Sustainable flow of services in forest ecosystems in drylands and under Objective 2: "Integrated landscape management practices adopted by local communities".

33. The project will contribute to the achievement of GEF's LD outcome indicators under Objective 2 and 3 as follows:

GEF-5 Land Degradation Results Framework		
Objective	Expected Outcome	Expected Indicator (and project contribution to indicator)
<p>Objective 2 Generate sustainable flows of forest ecosystem services in drylands including sustaining livelihoods of forest dependent people</p>	<p>Outcome 2.3 Sustainable flow of services in forest ecosystems in drylands</p>	<p>Indicator Increased quantity and quality of forests in dryland ecosystems</p> <p><u>Project contribution to indicator:</u> <i>5% reduction in sedimentation levels in the Lakoli River as a result of reforestation of 1,000 ha of forests and implementation of the Sirinumu Dam Integrated Land Use Plan</i></p>
<p>Objective 3 Reduce pressures on natural resources from competing land uses in the wider landscape</p>	<p>Outcome Integrated landscape management practices adopted by local communities</p>	<p>Indicator Application of integrated natural resource management (INRM) practices in wider landscapes</p> <p><u>Project contribution to indicator:</u> <i>Sirinumu Dam Integrated Land Use Plan approved covering a landscape area of > 7,000 ha 231,000 ha (YUS and Torricelli CCAs) of area covered by Integrated Land Use Plans directing CCA management</i></p>

Rationale and summary of GEF Alternative

34. Under the baseline scenario, PNG authorities and partners including local and district authorities will continue to function independently with little or no collaboration between national, district and local actors, without adequate investments necessary to create a robust system of protected areas that is backed with standards, monitoring tools and management effectiveness comparators to address the key threats to ecosystem services and associated benefits.

35. Although a new PNG PA policy and governance framework have been developed over the past years, under the baseline scenario the implementation of the Policy will be slow and largely ineffective. This is due to low capacities especially at the provincial government level, but also by CEPA, will negatively affect local level conservation efforts. Limited skills, technical knowhow and institutional capacities will continue to derail the effort of mainstreaming sustainable land management and biodiversity friendly practices in the areas outside of PAs where significant biodiversity exists. Decisions on land use are likely to continue being made without strategic consideration of the overall landscapes, undermining ecosystems integrity, biodiversity and livelihoods.

36. Globally important biodiversity is likely to continue to be degraded and at worst, risk extinction. Under the baseline scenario, the national PA system will continue to be an ineffective mechanism to conserve PNG's globally-significant biodiversity and critical ecosystem services. In the absence of GEF funding, the creation and management of CA will continue to be ad-hoc processes initiated by external actors with limited long-term sustainability and unclear national benefits.

37. The project will support the paradigm shift to put the national PA system on a more secure institutional framework, both at the national level and through partnerships at the local level. At the local level, the project will demonstrate the effective operationalization of the CA model, providing a platform for local landowners, central, provincial and local governments and conservation actors to collaborate on the protection and sustainable use of important biodiversity resources and ecosystems. The land use plan and capacity for landowners will provide tools for strategic decision making on land use, ensuring that agriculture outside of the protected areas incorporates ecosystems and biodiversity friendly practices, thereby securing livelihoods and economic development while simultaneously restoring ecosystems integrity.

38. Under the alternative scenario, additional investments by the GEF, GoPNG and local partners will strengthen the national PA system and ensure the sustainability of investments in Conservation Areas on the ground. The objective of the project is —*To strengthen national and local capacities to effectively manage the national system of protected areas, and address threats to biodiversity and ecosystem functions in these areas.* This objective will be achieved through two major components. The first component focuses on the strategic support to the implementation of the new PNG Protected Areas Policy and the CEPA Act (May 2014) contributing to the establishment of a comprehensive and capable national system to oversee and support National and Regional PAs. The second component focuses on strengthening support to Community Conservation Areas (CCAs) to ensure that these areas are effectively managed and sustained within a supportive national framework, including through the provision of stable and predictable financial support through various Government channels. An expansion of the existing gazetted PAs will be supported, as well as effective PA management by local stakeholders. Targeted livelihood support will be provided as governed by locally established Conservation Area Agreements (CAAs) and specifically identified priorities on conservation grown coffee and cocoa in YUS and alternative protein in TMR.

PROJECT GOAL, OBJECTIVE, OUTCOMES AND OUTPUTS/ACTIVITIES

39. The present project falls under umbrella of ‘*Strengthening the Management Effectiveness of the National System of Protected Areas*’ programme (*please see Annex 1 – Programme Document*), which will be implemented over a period of five years and is organized into two components (in line with the components presented at the PIF stage):

- | | |
|---------------------|--|
| Component 1: | Management Capabilities of the PNG State to oversee Protected Area Management |
| Component 2: | Strengthening the Capacity of the State and Local Communities to Cooperatively Manage Protected Area Sites, and manage threats to biodiversity |

40. The ‘*Strengthening the Management Effectiveness of the National System of Protected Areas*’ project will be implemented through three implementing partners including:

- Conservation and Environment Protection Authority (CEPA).
- Woodland Park Zoo (WPZ).
- Tenkile Conservation Alliance (TCA).

41. CEPA will implement Component 1 (Output 1.1-1.4), while WPZ (Outputs 2.1 and 2.2) and TCA (Outputs 2.3 and 2.4) will implement Component 2. Outcomes resulting from implementation of Component 1 will guide implementation of Component 2.

42. The present Project Document covers implementation of Component 1 which will be directed through four **outputs** as follows:

43. Component 1 will support the operationalization of the new legal and policy framework for biodiversity conservation and PA management in PNG. It will use the new PNG PA Policy and the establishment of CEPA (CEPA Act, May 2014) as cornerstones for a comprehensive and effective national PA management framework. It supports the development of a robust set of instruments needed to implement the PA Policy successfully, including the development of various standards and guidelines which will assist the responsible partners to deliver on their PA management mandates.

44. The project will also help CEPA to put in place a licensing and regulatory framework for development activities which impact on biodiversity resources or ecosystem services, to ensure that potential negative impacts are avoided, and where required that adverse impacts are compensated for through offsets or other compensatory mechanisms. Special investments will be made into building commitment for improved protected areas and biodiversity management amongst key government and private sector stakeholders, to ensure that adverse and conflicting interests are curbed and directed into the long term sustainable objectives of the entire country. The oversight functions of NEC and to-be newly established NCC will be strategically supported by this project, assisting CEPA to position the new PA policy and underlying instruments for implementation within the highest level of Government. Targeted awareness raising of NEC and NCC, as well as professional updating opportunities for members of the NPART and RPART for effective PA management decision making and oversight, will be supported by this project.

45. The new Policy distinguishes National and Regional PAs, which are managed under different models and lines of responsibilities (see Figure 3, Part 1). CEPA is established as the national mandated Authority responsible for PA management in PNG. In this function, the newly established CEPA is directly responsible for National Parks and advises and supports devolved government structures (at regional, provincial, and district and local level government) in their new PA management function for Regional PAs.

46. The project will directly support the creation of an effective conservation and PA management function under CEPA, including through the establishment of national standards, monitoring systems and protocols for PA management. A dedicated PAs oversight unit will be created within CEPA with sufficient technical, human and financial resources to effectively support and oversee conservation activities on the ground. Protocols to be established will include those for reporting on PA status and management effectiveness, biodiversity monitoring and law enforcement, and community involvement in the establishment and management of CCAs. The project supports the transition from DEC to CEPA through a dedicated change management process and sourcing expertise to advice on this process, ensuring that a coherent, well capacitated and able team will form CEPA. Institutional and technical capacities will be strengthened through clear and well-resourced capacity development action plans for CEPA's conservation wing, and the introduction of new training programs and incentive schemes to increase the skills and motivation of staff members.

47. At the same time the project will invest into strengthening the capacities of the regional, provincial, district, and local level government entities responsible for the management of Regional PAs, under the new Policy. CEPA will be positioned to deliver on their advisory and capacity building mandates, and long-term sustainable training and capacity development for effective PA management will be institutionalised. The project will ensure that support for CCAs (see component 2) and other community-managed conservation areas is integrated into relevant national, provincial and local land-use and sectoral planning processes to ensure adequate recognition of and financial support to these

conservation initiatives. Existing best practices e.g. from the YUS and the proposed Torricelli CAs⁵ (component 2), will be used to develop strategic guidance in this regards, for application on a nation-wide scale.

48. National-level training and capacity development programs will also be instituted for other CCA managers and field staff, to ensure that gazetted Regional PAs are managed to an adequate technical level grounded in the best available science. Where possible, PNG will make use of regional training opportunities to strengthen staff capacities undertaken under the auspices of the Pacific Ridge to Reef Program, thus optimizing the use of scarce conservation funds.

49. The systems and capacities established in CEPA will be validated and demonstrated through the improved management of Varirata National Park as a flagship demonstration National PA for PNG. The project will support CEPA, and the NCDC to whom management rights for the VNP have been transferred by DEC⁶, in setting up an effective management structure for Varirata, including on-the-ground management staff and Community Rangers recruited from surrounding customary land owners and communities. Resources will also be invested in refurbishing and improving the infrastructure and facilities at the park, including rehabilitation of buildings, and improved signage and interpretation, in a well-designed and coordinated investment effort with NCDC and JICA⁷.

50. In addition, a broader Integrated Land Use Plan for the Sogeri Dam catchment area will be developed in collaboration with key stakeholders including local land owners, provincial, district and local level Government and institutions such as PNG Power and the EdaRamu water supply company. This Plan will integrate Varirata and adjacent core conservation areas into the management of the overall landscape for maintenance of critical ecosystem functions, most importantly water and hydropower provision for Port Moresby City. Through this plan, CEPA will also demonstrate the mainstreaming of environmental regulations into the development plans of a parastatal authority, specifically to address issues of agricultural encroachment and settlement expansion in a critical watershed. This pilot will serve to inform and strengthen CEPA's institutional and technical capacities for mainstreaming environmental regulations into other government and semi-government organizations – one of their key functions set out in the new PA policy. JICA will provide co-financing for coordinated activities.

51. It is suggested to schedule a review of the Policy at the end of this project to ensure that critical lessons learnt from this dedicated implementation effort can be readily absorbed into a yet improved policy version.

Output 1.1: Policies and Legislations relating to PA Management and Biodiversity Conservation strengthened

52. GEF funds will be used in this output to support the preparation of a national planning framework for the PA system. This framework will comprise two components: a medium-term strategic plan to

⁵Not yet re-classified under the new Policy into CCA. The term CCA, is however, mostly already applied in the context of planning for this project. Also Torricelli is not yet registered as formal CA.

⁶The management rights and responsibilities were transferred by means of a MoU between DEC and NCDC, dated September 2014. According to the MoU NCDC has the right to designate private sector investors to deliver key services and functions at VNP in the future.

⁷JICA is providing co-financing to support the development of the VNP. Detailed consultations took place during the PPG phase agreeing on a coordinated development approach to Varirata. A detailed investment plan for this project vis-à-vis the JICA co-financing support was prepared during the PPG and those elements related to the GEF investment are included in the Design. As NCDC is seeking further investment partners, this is just a starting point to a well-orchestrated coordination, led by DEC and the VNP Management committee to be established under the DEC – NCDC MoU.

operationalize and implement the PAP; and a set of policies and legislation for protected area management and biodiversity conservation in PNG.

53. The strategic plan will have no legislative basis, but will serve as an input into the National Biodiversity Strategy and Action Plan (NBSAP) that is currently being updated. Its focus is only on providing strategic direction and guidance to protected area institutions (CEPA, regional governments, communities and NGOs managing protected areas) in the ongoing planning, management and development of protected areas. It is envisaged that the national planning framework will then provide for better coordination, and more focused direction, in the collective planning, management and development of the system of protected areas in PNG.

Strategic Plan

54. The Strategic Plan will be key document leading to the operationalization and implementation of the draft Policy on PAs. The Strategic Plan will provide national guidance for improved cross-jurisdictional coordination and will support collaborative action by the protected area managers and key stakeholders to enhance the protected area system. The strategic plan will be developed in collaboration with central and provincial government agencies and stakeholders (including NEC, NCC, NPRAT, RPRAT, Provincial Government and other structures set out in the policy) to integrate support for CA and other components of the national PA system into national, provincial and district-level land-use and sectoral planning processes and budgets.

55. The following activities will be undertaken to support preparation of the strategic plan:

- (i) Analyse policy and identify support instruments needed to operationalise.
- (ii) With CEPA taking the lead, assist in awareness building and professional updating of key stakeholders and responsible structures.
- (iii) Define the key goals of the PA system.
- (iv) Identify national targets and guiding principles for the PA system based on the PA Policy.
- (v) Identify (and describe) the 5 strategic themes (based on the five pillars of the policy) for the PA system that will directly lead to the implementation of the PA policy.
- (vi) For each strategic theme, define: the key direction for the theme; the strategic approach to the theme; and the priority actions that would enable a nationally coordinated approach under each theme.
- (vii) Identify the approach to monitoring and evaluation of performance of the PA institutions in the implementation of the strategic plan.
- (viii) Develop the capacity of CEPA to monitor and evaluate the performance of the PA institutions in the implementation of the strategic plan.

56. Towards the end of the project, a review of the implementation of the Policy (and therefore indirectly of the Strategic plan) will be conducted to ensure that critical lessons learnt from this dedicated implementation can be easily absorbed into a yet improved policy version.

Set of policies for protected area management and biodiversity conservation in PNG

57. The project will support a review of existing national policies and the integration of the new Policy on PAs with these. The review will be wider than just protected areas as to ensure that protected areas are integrated into the wider landscapes and that development activities undertaken in the wider landscape do not degrade the gains made in biodiversity conservation. Based on such a review, a set of policies will be developed to ensure protected areas are fully integrated in the wider landscape. This will, as a minimum, include:

- (i) an enabling policy that established an effective national system to license and regulate development impacts on biodiversity, within the functional mandate of CEPA; and
- (ii) an administrative regulation or similar issuance describing the process by which funds and revenues for PA management will be earmarked within the overall CEPA financial structure

58. The Chief Technical Advisor (CTA), in close collaboration with the Technical Coordinator (TC), will, in consultation with the CEPA, will convene a technical working group (TWG) to oversee the implementation of this output. This TWG - comprising professional and technical staff from the CEPA, Regional and National PAs and other key sectors- will be chaired by the TC and will be accountable to the relevant Secretary/National Project Director at CEPA. The TWG will be responsible for reviewing and approving the approach to, and format and content of, the Strategic Plan and Policies.

59. The TC will, in consultation with the CEPA, contract a service provider: (a) A PA planning consortium to prepare the strategic plan and to develop the standards and guidelines manual (explained under Output 1.2). This consortium will be responsible for developing and implementing an internal and external consultation process to guide the iterative formulation of the strategic plan and protected area standards and guidelines. It will also be responsible for developing a basic staff orientation program for CEPA staff. The service providers will report to the TWG on progress, through the TC.

Output 1.2: Capacity of CEPA emplaced for effective management of the National PA System

Dedicated and Functioning PA Management and Oversight Unit in CEPA

60. This output is initially focused on the establishment of a dedicated Protected Areas oversight unit within CEPA, with sufficient technical, human and financial resources to effectively support and oversee conservation activities on the ground.

61. The specific activities to be undertaken under this output will include the following:
- (i) Based on the newly developed CEPA structure and organisational restructuring, which will be supported by this project through a change management consultancy, develop an organisational design for the Unit, including defining its core business, organisational structure, governance arrangements, staffing organogram and medium-term expenditure framework.
 - (ii) Map the management approach to, and technical requirements in order to implement the Unit's organisational design. This will include, *inter alia*⁸:
 - a. Establishment of a transitional Steering Committee.
 - b. Preparing or amending the enabling legislative and regulatory framework. This will include a review of new PAP and functions/roles stemming from it, including instruments needed to implement the policy effectively (as defined in the Strategic Plan). This will include an administrative regulation or similar issuance describing the process by which funds and revenues for PA management will be earmarked within the overall CEPA financial structure.
 - c. Defining the strategic approach to change management, including structural and human resource planning.
 - d. Preparing a time-bound work plan for the transition period.
 - e. Implementing a communication strategy.
 - f. Conducting a due diligence of assets and liabilities.

⁸ Examples of these requirements are detailed in the report, Australian Government. 2011. 2nd Edition *Implementing Machinery of Government Changes: A good practice guide* Australian Government

- g. Developing a financial management system.
 - h. Developing a human resources plan and management system.
 - i. Establishing a governance structure.
 - j. Appointing an executive management team.
 - k. Facilitate transfer of affected staff, and aligning remuneration and conditions of employment. This will include the development of incentive mechanism for increasing motivation of technical staff.
- (iii) Based on the initial capacity needs assessment carried out during the PPG phase and relevant additional capacity needs identified during the change management process, develop and implement an on-the-job training/professional updating program for CEPA PA Unit staff.

62. A focused stakeholder consultation and communication process will be developed and maintained for the entire duration of the transition.

63. The TC will, in collaboration with the relevant Secretary/National Project Director, facilitate the establishment of a technical task team to oversee, and provide technical guidance to, the development of the organisational design. The technical task team will be chaired by the Secretary/National Project Director, and may comprise seconded professional and technical staff from the MENP, SINP, protected area PIs and other key line ministries (e.g. Ministry of Finance) in consultation with the corporate division of CEPA.

64. A change management consortium or company - with specialist skills (particularly in the public sector) in *inter alia*: institutional reform; organisational development; human resource management systems; financial management; information technology; and legislative reform – will be contracted to prepare the transition plan (including the design of the Unit, the change process requirements and the transitional budget estimates for implementing the transition to the Unit). The change management service provider will also be responsible for developing and implementing an internal and external consultation process, under the guidance of the technical task team. The change management consortium/company will report directly to the technical task team, through the TC, who is responsible to the Secretary/National Project Director. The CTA will provide technical support throughout the process.

Development of a Set of Standards and Guidelines for PA Management in PNG

65. GEF funds will also be used in this output to support the preparation of a set of standards and guidelines⁹ for protected areas.

Standards and guidelines

66. A standards and guidelines manual will be published and maintained by the staff of the PA Unit on the existing national database on PA, which JICA will support its development. The development of the standards and guidelines manual will assist the CEPA's PA Unit in meeting its regulatory responsibilities for the development of standards related to protected area management planning and implementation¹⁰.

⁹ These policies and guidelines may cover, for example: protected area planning; management responses to common biological management issues such as fire, invasive alien species control, habitat rehabilitation/restoration and species management; research and monitoring; enforcement and compliance; human resource management; neighbor relations; tourism/recreational facilities and services; natural resource use; stakeholder engagement; and co-operative governance. It will only exclude financial policies and procedures (these are addressed in Output 1.2 below).

¹⁰ Draft PNG PPA (version September 2014).

67. The following activities will be undertaken in support of the preparation of the electronic policies and guidelines manual:

- (i) Review global best practice and national experiences and lessons learnt in the operational planning, establishment and management of PAs.
- (ii) Review global best practice in the maintenance of operational standards and guidelines manuals.
- (iii) Develop a generic format and structure for protected area standards and guidelines.
- (iv) Design an electronic standards and guidelines system that can be seamlessly published and maintained on the existing national database on PAs (JICA is supporting its development).
- (v) Based on the best practice reviews and national experience, identify, and prioritise needed topics to be addressed in the operational standards and guidelines for protected areas. New standards and guidelines to be developed should include as a minimum:
 - a. Performance, Management and Monitoring Standards at site (or PA) level/category.
 - b. PA category based information, communication and reporting Management System.
 - c. PA Compliance and Law Enforcement Protocols for Monitoring (existing law enforcers such as Clan Representatives, Ward Councillors, Village Court Magistrates, Village Peace & Good Order Committees will be closely involved in the development of these Protocols).
 - d. Community engagement and involvement in Conservation Management Guidelines/Procedures. Based on the strong focus of the draft PNG Policy on PAs on community and landowner participation, and ownership in PA management, develop a process for the participatory development of guidelines for implementing and delivering on such.
- (vi) Publish the operational standards and guidelines manual.
- (vii) Implement a basic staff and relevant stakeholder (including PA managers and Law enforcers) orientation program to introduce the standards and guidelines manual.
- (viii) Develop the capacity of the PA Unit in CEPA to monitor the implementation of, and review and update, the standards and guidelines manual.

68. The TWG will be responsible for reviewing and approving the approach to, and format and content of, the Standards and Guidelines Manual.

69. The TC will, in consultation with the CEPA, contract a service provider: (a) A protected area planning consortium to prepare the strategic plan (explained under Output 1.1) and to develop the standards and guidelines manual. This consortium will be responsible for developing and implementing an internal and external consultation process to guide the iterative formulation of the strategic plan and protected area standards and guidelines. It will also be responsible for developing a basic staff orientation program for CEPA staff. The service providers will report to the TWG on progress, through the TC.

Establishment and Institutionalization of PA Data/Information and Knowledge Management System

70. Work under this output will also include identifying the specific indicators useful for monitoring the state of ecosystem health in PAs. It will be field tested in the three target PAs (Varirata NP and YUS CA and proposed Torricelli CA), with a view of learning from the implementation for upscaling to other PAs. It is envisaged that under the framework of this output, the monitoring of these indicators will then be integrated into an early warning system that would enable the CEPA to understand, and respond proactively to specific threats to the integrity of ecosystems in PAs.

71. The specific activities to be undertaken in this output will include:

- (i) Identify the key ecological attributes of the ecosystems (i.e. the factors that characterise, limit the distribution of, and/or put stress on, biodiversity) in the target PAs.
- (ii) Identify, rank and select a suite of indicators that would collectively reflect the health of, and key stressors on, the ecosystems in the target PAs.
- (iii) Determine the minimum (or upper and lower limit, if practicable) threshold, and the confidence level for the threshold, for each indicator (i.e. the level at which the indicator gives cause for concern).
- (iv) Develop monitoring protocols for each indicator, including: methodological approach; data collection procedure; frequency of data collection; format of data; presentation of data; storage and maintenance of data.
- (v) For each indicator, define the different management responses to situations where the thresholds are exceeded.
- (vi) Prepare a long-term 'Ecosystem Monitoring Program' (EMP) for the target PAs, consolidating the information from point (i)-(vi) above in the Program.
- (vii) Describe the capital and recurrent operating costs of implementing the EMP, and the sources of funding to meet these costs.
- (viii) Host a series of training workshops for CEPA staff in the implementation of the EMP
- (ix) Facilitate and support the *in situ* collection (or collation, where data is already being collected) of baseline data for each of the indicators contained in the EMP. This may include the procurement of key monitoring equipment for selected indicators (e.g. water quality testing kit).
- (x) Design and establish a centralized electronic information management system to facilitate the storage, retrieval and analysis of monitoring data.
- (xi) Develop a simple user-driven user monitoring report interface as a practical decision-support tool for protected area managers.
- (xii) Introduce the management effectiveness tracking tool (METT) as a means of monitoring the effectiveness of protected areas.

72. The implementation of activities under this output will be jointly managed by the PM and the NPD in CEPA. The TWG will fulfil an oversight role in, and provide advice and support to, the implementation of this output. The CEPA through the PMU will directly implement the activities under this output. An international expert in the monitoring of ecosystems will however be contracted to provide specialist support to the CEPA in the design and development of the EMP and in the design of a monitoring database and user interface.

Facilitation of Participation in Regional Coordination on Ridge to Reef Approaches

73. The UNDP-GEF Regional R2R Project "Pacific Islands Ridge-to-Reef National Priorities – Integrated Water, Land, Forest and Coastal Management to Preserve Ecosystem Services, Store Carbon, Improve Climate Resilience and Sustain Livelihoods" (the executing agency for this project is SPC's Applied Geoscience and Technology Division (SOPAC) based in Suva, Fiji) will support the development of technical capacities and information sharing networks to support national R2R projects, including the proposed project in PNG. As part of this effort, the regional project will develop and deliver a post-graduate training program in Integrated Water and Coastal Management for project managers of the regional project's pilot activities and national STAR projects through a partnership of internationally recognized educational institutes. The design of this postgraduate training programme enables eligible project managers and R2R stakeholders to progress towards a Master's degree qualification. The course will be delivered remotely (online), with annual face-to-face meetings coinciding with the regional R2R project's steering committee meetings. This will be complemented with a community-based certification programme in R2R planning and CC adaptation for stakeholders at project sites, which will be led and coordinated nationally by participants of the regional training

programme. Supporting activities include: the development of a register of national and regional water, land and coastal management practitioners to facilitate intra-country and multi-lateral sharing of skills and expertise; and the development of an online database of past and present projects relating to land, water, forests, coasts and climate change adaptation to assist in information sharing on available specialist expertise and technical resources and to serve as a repository for lessons learned. The Regional R2R project will fund the course development costs as well as the participation of its national pilot project managers, while the proposed PNG R2R project will fund the participation of its project staff / key stakeholders (estimated at 4-5 persons) in these activities.

74. In addition, the national project will participate in the activities of the regional project to strengthen the scientific and technical linkages between Pacific Island Countries for Ridge to Reef approaches. Component 2 of the regional project will establish a Regional Scientific and Technical Committee (RSTC) that will serve as a forum for reconciling both sectorial and national interests and priorities, and will foster the incorporation of sound science into decision-making and national and regional planning. The PNG R2R project will participate in the RSTC, and will benefit from the work of that body to develop regionally appropriate knowledge tools to support evidence-based coastal and marine spatial planning in PICS. In addition, national stakeholders from PNG will participate in the Regional Scientific Conference on coastal and marine spatial planning in PICs, which will support the uptake of regionally accumulated scientific knowledge in policy-making and planning and will facilitate exchanges between government and the scientific community.

Output 1.3: Training Programs targeting PA managers institutionalized

75. Activities under this output will focus on developing and implementing a sustained training and skills development program for protected area staff, and other institutional and community partners.

76. The specific activities to be implemented in support of this output include the following:

- (i) Prepare a comprehensive accredited training curriculum, and a suite of individually tailored training courses, for ranger and management staff in the PA System of PNG;
- (ii) Develop and implement a ‘train-the-trainer’ project for selected CEPA field-based and other PA staff;
- (iii) Implement SMART training for all newly contracted rangers across the three target PAs;
- (iv) Maintain regular refresher training courses for all ranger staff across the three target PAs;
- (v) Facilitate study tours for target PA staff and key community leaders to learn about best practices in the other two sites and other similar sites in PNG;
- (vi) Provide training for provincial and district judiciary and police on the nature of wildlife crimes, and the enforcement approaches required to address these;
- (vii) Facilitate professional skills development for targeted PA management staff (from the three target areas) and relevant CEPA staff. This may include *inter alia*: professional short-courses; staff exchange/mentoring partnerships with conservation agencies; and part-time studies;
- (viii) Assess the feasibility of establishing a ‘Centre of Excellence for Conservation Area Capacity Development¹¹’ (CECA) Management under the auspices of CEPA¹²;

¹¹ CECA could be a “mechanism” that is housed at CEPA, rather than a fully-fledged institution, coordinating existing trainings from University and other institutions. Online training resources, as well as in-house workshops and on the job learning experiences all would make up CECA. A more detailed concept should be designed once the Change management consultancy has worked with the CEPA team on jointly identifying needs and champions for the capacity development mechanism.

¹² There is already a Conservation Capacity Building Program at University of Papua New Guinea. The feasibility assessment will consider if the already existing program if the existing learning opportunities could be enhanced through the existing institutions or over short courses at post graduate level. Lessons learnt e.g. from the Pacific Regional IWRM project whereby

- (ix) Prepare a conceptual design and draft a business plan for the CECA; and
- (x) Implement a fund-raising strategy to raise financing for the establishment and operations of the CECA.

77. The Training and Capacity Development services will be provided through a contractual appointment (there are already established institutions and available courses in PNG, e.g. Enhanced Conservation Capacity Program (ECCP¹³) in partnership with the UPNG School of Natural and Physical Sciences, Division of Biology Environmental Science and Geography, and PNG University of Technology's Department of Forestry, all of whom offer already certified courses) to develop and implement a comprehensive training program for PA management staff including curriculum development and training the trainer. A relevant consulting service will be contracted to assess feasibility, prepare conceptual and architectural design (if needed) and raise funds for the CECA – or relevant arrangements.

Output 1.4: Effective management of Varirata NP and its integration into the broader Sogeri Plains Landscape

78. Work under this output will support the effective management of the Varirata National Park (VNP) and the integration of park management and natural resource management into the broader Sogeri Plains Landscape. The output will comprise three key components: (i) Establishment of a functional National Park Management System for Varirata NP; (ii) Designation of a designated Conservation Zone through the development and implementation of the Sirinumu Dam Integrated Land Use Plan; and (iii) Improvement of watershed management in the Sirinumu Catchment.

Establishment of a functional National Park Management System for Varirata NP

79. Work under this sub-output will support the preparation and implementation of two key documents, namely (i) Park Management Plan, and (ii) Financial Plan for VNP and support to the implementation of the above. The management of the VNP will also receive substantial co-financing mostly through the support of Japanese International Corporation Agency (JICA). The below-mentioned activities is a result of extensive consultation with CEPA, National Capital District Commission (NCDC) and JICA. The Park Management Plan will comprise two key complementary documents: a Strategic Plan (SP); and an Annual Work Plan (AWP). All of the information which is necessary to guide the management of the National Park will be included in these two documents.

- (i) Prepare a SP for the park. The Strategic Plan will set out the ambitions for the VNP (as articulated through the vision and objectives) and then set out how these ambitions will be

good performing staff were encouraged to participate in post-graduate level certificate then post-graduate diploma either in management or technical field related to PA/NRM will be particularly considered.

¹³ECCP is funded by the PNG LNG Project as a part of its biodiversity off set program. ECCP is a partnership between the PNG Mama Graun Conservation Trust Fund (PNG MGCTF) and the UPNG School of Natural and Physical Sciences, Division of Biology and Environmental Sciences. Lecturers from UPNG conducting these courses, which will be running from 2015.

ECCP used to be called Strengthening Conservation Capacity Project (SCCP). Strengthening Conservation Capacity Program (SCCP) was initiated in 2001 by a group of key Non-Government Organizations (NGO) who saw the need to strengthen the capacity for conservation practitioners to practice conservation. At that time Memorandum of Understanding (MOU) was signed between the project proponents (NGO group; TNC, WWF, others) and the University of Papua New Guinea (UPNG) for the UPNG to house the SCCP when funding was received by the MacArthur Foundation. SCCP commenced in 2004 and eight course modules were developed. The project ended in 2009. The program was dormant until 2013 when the PNG MGCTF accessed funds from Exxon Mobil to review, revise and complete the SCCP program. The new program is now renamed Enhancing Conservation Capacity (ECCP).

delivered through a range of management guidelines and actions. The SP will have the following key components:

- The purpose and structure of the Strategic Plan.
- The key characteristics and special qualities of the Park.
- The management issues facing the Park, and associated trends.
- The desired state for the Park (vision and objectives and zoning¹⁴).
- The means of delivering the desired state (guiding principles and management actions).
- The measures to evaluate if the management actions are contributing to achieving the desired state (targets and indicators).
- The institutional and budget requirements for implementing the Strategic Plan (governance arrangements, staffing complement and budget projections).

(ii) Support the drafting of the parks AWP. The AWP will operationalize the objectives and activities identified in the SP. It will explicitly detail the operational actions that will be undertaken for any fiscal year. The AWP will be directly linked to the park budget for that year. The AWP will also provide the framework for the annual review and performance reporting of the park. The AWP will have the following key components:

- The suite of operational activities for the financial year (linked to the objectives and targets identified in the SP).
- The timeline for implementation of each operational activity.
- The estimated operational and/or capital budget for operational activities or objectives.
- The annual performance targets and indicators.

80. In order to assist in the implementation of the Park Management Plan, the project will support ten critical positions: six law enforcement rangers for enforcement and monitoring, two PA managers, and two Tourism rangers/guides. Long-term financing solutions, e.g. entering into Public-Private Partnerships for PA Management will be explored under this output in order to integrate the cost of such staffing into the management arrangements of the National Park, ensuring the sustainability of the project intervention.

81. A business-oriented Financial Plan for the VNP will be developed and will be organized around three key aspects of the financial planning process: a) a detailed financial analysis that identifies realistic funding needs and gaps; b) a pre-selection and analysis of viable financial mechanisms (including a feasibility study of a potential PES arrangement with the water/city authorities), and an understanding of the enabling activities needed for their implementation; and c) the formulation of a Financial Plan to guide the implementation of a sustainable financing strategy.

82. The specific activities to be undertaken in this output will include:

- (i) Evaluate the current financial baseline for the National Park. This will include: analysing current expenditure patterns; reviewing current income sources; and assessing current financing mechanisms.

¹⁴ The purpose of zoning in the National Park will be to identify the types and levels of usage that are acceptable, based on the **sensitivity** and **resilience** of different areas in the park. The preparation of a **sensitivity map**, using SEA-type methodology, is intended to be the main decision support tool guiding spatial planning within the park, and will inform all local and *ad-hoc* infrastructure development as well as all reserve planning and formalisation of use and access. Sensitive areas will include: areas where human access or disturbance will have a negative impact on biodiversity or heritage values; areas where physical disturbance or infrastructure development will result in higher short and long-term environmental impacts and/or higher construction and on-going maintenance costs; and areas where there is significant environmental risk to infrastructure. Park zonation will be developed by evaluating existing infrastructure and access, plus potential future infrastructure and access requirements, against the sensitivity maps to determine appropriate management and visitor-use zones. The park will then be demarcated into different functional areas (i.e. = "use zones"). A prescription of the desired resource and visitor experience conditions to be achieved for each use zone, and appropriate management activities needed to achieve those desired resource and visitor experience conditions, will then be developed

- (ii) Using financial planning tools (e.g. scenario logic), qualify and quantify the projected financial needs for the National Park (e.g. ‘current’, ‘ideal’ and ‘most likely’).
- (iii) Review and select the most appropriate mechanisms to improve revenue streams for the National Park. This may include increasing the current income from conventional financial sources (i.e. governments’ grants, fines, donor funding, and entry fees (possible revision)) as well as developing new funding sources (e.g. user permits, tourism/recreation concessions, biodiversity offsets, and trust funds). Part of this review will include a customer survey.
- (iv) Identify and describe the critical activities that would be required to: improve the current levels of investment in the VNP; mobilize additional financial resources for the NP; and improve business planning capabilities in the NP.
- (v) Using a ‘market-based approach’, prepare a medium-term (three to five years) ‘Financial Plan’ (FP) that establishes lines of strategic action to mobilize financial resources and build the financial capacity to improve the management effectiveness of the VNP. This FP will include a tourism and recreational strategy and action plan for the park.

83. The implementation of activities under this output will be jointly managed by the PM and the National Project Director in the CEPA. The TWG will oversee the process of developing the Management Plan and the Financial Plan. It will, based on regional and global best practice, agree on the format and content of the Management Plan and Financial Plan. The technical work in developing the Management and Financial Plan will be undertaken by a contracted planning service provider. The contracted planning service provider will work in close collaboration with staff from CEPA for the Management Plan preparation and the Ministry of Planning, Finance and Treasury during the preparation of the FP. They may also be required to train, and mentor pre-selected counterparts from the relevant Ministries. The Management Plan and FP will be submitted to the CEPA for its formal adoption.

Designation of a Designated Conservation Zone and Improved Watershed Management through the Development and Implementation of the Sirinumu Dam Integrated Land Use Plan

84. The purpose of the Sirinumu Dam Integrated Land Use Plan (ILUP) is to translate the guiding ecosystem-based management framework and concept embodied in the R2R approach into a set of tangible tools, recommendation and guidelines that can be used to inform land use planning and decision-making in a way that promotes environmental sustainability. The ILUP is intended as a land use forward planning and development tool to guide decision makers in the integration of national environmental standards and regulations (from CEPA) e.g. the EIA process. It will also be applicable to identifying site-level SLM interventions such as restoration projects and sustainable agriculture practices. The ILUP will establish a designated conservation zone encompassing the existing VNP (1,054 ha) and at least 7,000 ha of adjacent forest landscape. The 7,000 ha of adjacent forest landscape will be designated as a Community Conservation Area. Due to the potential conflicts in the area and the presence of Indigenous Peoples in the area, an Indigenous Peoples Plan (as per UNDP guidance on Social and Environmental Screening Procedures) will be prepared as part of the formulation of the ILUP.

85. The project will also work with the power and water producers which operate the Sirinumu Dam and along the Laloki river (PNG Power and Eda Ranu respectively) to reduce the sediment load in the Laloki River through improvements in catchment management, establishment of buffer zones and enrichment planting of eroded slopes and gullies¹⁵. Reduced sediment load at the water intakes will potentially increase the operating lifespan of the hydroelectric and water pumping infrastructure, thereby demonstrating how effective management of ecosystem services can provide tangible economic returns, amongst other.

¹⁵ Financed via co-finance. Implementation is advanced.

86. The specific activities to be undertaken in this output will include:
- (i) A multi-sector planning forum will be constituted and agree on a national guideline for ILUP development, based on existing work of the Department of Lands and Physical Planning, and experiences from the YUS CA.
 - (ii) Communities in the landscape will be actively engaged in the ILUP development process at all levels from conceptualization, development to implementation planning and monitoring.
 - (iii) An Indigenous Peoples Plan will be formulated indicating specifically how the rights, lands, resources or territories will be safeguarded in the process of development of the ILUP.
 - (iv) Organise peer visits to YUS and/or Torricelli CA and facilitate local representatives from those CAs to attend Varirata/Sogeri Plateau consultations/events for sharing experiences and peer learning.
 - (v) Integrate national environmental standards and regulations (from CEPA) into the development and implementation of the Varirata-Sogeri Plateau complex Integrated Land Use Plan.
 - (vi) The primary product of the ILUP will be an environmental sensitivity map and associated guidelines indicating recommended land use for any given zone. This will include identifying zones critical for watershed services within the Sirinumu water catchment. The plan will identify buffer zones and specific areas that may require rehabilitation. It will also specify rehabilitation measures needed to reduce soil erosion and siltation of the dam. In consultation with the land owners, at least 7,000 ha will be allocated towards conservation use. The landowners will be provided with skills and other capacities to mainstream biodiversity and watershed friendly practices in the management of the adjoining lands.
 - (vii) The ILUP will include (a) environmental health indicators; (b) ILUP implementation monitoring plans with recommendations for key indicators.
 - (viii) The ILUP will include a comprehensive section on best practice recommended land-use guidelines (e.g. a standard for sewage disposal/runoff, watershed management through IWRM, rehabilitation of particularly degraded areas to restore watershed services and reduce erosion and consequent siltation in the Sirinumu dam) and specifications for location of infrastructure and activities in the landscape (e.g. building setback lines, building and maintaining dumpsites).
 - (ix) Formalise the CCA registration process, although it is clear that likely the final registration may be achieved only beyond the project horizon. If a CCA will be registered, the Central Province Government will have to be more formally engaged in the project.
 - (x) Develop/support supply chains for the reforestation of riparian buffers with indigenous seedlings. Up to 200,000 seedlings will be planted during the project period in compliance with the ILUP. Particularly degraded areas will be the focus of the rehabilitation. This will reduce erosion and siltation in the Laloki river catchment.

RISKS AND ASSUMPTIONS

87. Please see *Annex 1 – Programme Document*.

INCREMENTAL REASONING AND EXPECTED GLOBAL, NATIONAL AND LOCAL BENEFITS

88. See *Rationale and summary of GEF Alternative and detailed component and outputs descriptions above, as well as Annex 1 – Programme Document*.

COST-EFFECTIVENESS

89. The project is considered cost-effective because (a) there are strong baseline investments dedicated by national government and CEPA for the present project. However, critical catalytic support through the GEF investment will generate more sustainable impacts. The incremental support will likely generate exponential benefits; (b) strong co-financing being mobilized from the Government for Varirata. In addition, JICA is committing a significant amount of co-financing to the establishment of a Man-and Biosphere type PA in the larger Sogeri Plateau Area, dovetailed with the ILUP approach suggested in the GEF project; and (c) Supporting the already established YUS CA and the proposed TMR CA conserves a significant baseline investment which is under threat due to critical financing gaps. Project funding for improving the capacity of selected NGOs is expected to improve their cost-effectiveness and sustainability.

For more details on cost-effectiveness of the project and related considerations, for details please see *Annex 1 – Programme Document*.

PROJECT CONSISTENCY WITH NATIONAL PRIORITIES/PLANS:

This project is well aligned with various national policies and programs, for details please see *Annex 1 – Programme Document*.

COUNTRY OWNERSHIP: COUNTRY ELIGIBILITY AND COUNTRY DRIVENNESS

90. PNG has ratified the UNCBD in 1993, UNFCCC in 1993 and UNCCD in December 2000. Thus the country is committed to safeguarding its territory in line with the three United Nations Multilateral Environmental Agreements. Progress towards meeting the Conventions' obligations was assessed in 2010¹⁶. For further details please see *Annex 1 – Programme Document*.

SUSTAINABILITY AND REPLICABILITY

91. Sustainability: The project has been carefully designed to optimize prospects for improving the environmental, institutional, and social sustainability of the system of protected areas.

92. Replication will be achieved through the direct replication of selected project elements and practices and methods, as well as the scaling up of experiences.

For further details on the project approach to sustainability, replication of selected project elements and knowledge management, please see *Annex 1 – Programme Document*.

¹⁶ Wickham, F., J. Kinch, D. Mitchell, M. Bongro, R. Alphonse, G. Sissiou, G. Maru, G. Kula and S. Nicholls.2010. National Capacity Self Assessment Project: Assessing the Capacity of Papua New Guinea to Implement the United Nations Convention on Biological Diversity (UNCBD), the United Nations Convention to Combat Desertification (UNCCD), and the United Nations Framework Convention on Climate Change (UNFCCC): Final Report, Global Environment Facility, United Nations Development Program, and the Papua New Guinea Department of Environment and Conservation (DEC), Port Moresby.

PART III: Management Arrangements

IMPLEMENTATION ARRANGEMENTS

93. The present project falls under umbrella of the *‘Strengthening the Management Effectiveness of the National System of Protected Areas’* programme that will be implemented by CEPA (Component 1), as well as WPZ (Component 2: Outputs 2.1 and 2.2) and TCA (Component 2: Outputs 2.3 and 2.4). For details, please see *Annex 1 – Project Document*. The management arrangements of the present project cover Component 1 of the *‘Strengthening the Management Effectiveness of the National System of Protected Areas’* that will be implemented by CEPA with the substantial support of UNDP.

94. The project will be implemented through the National Implementation Modality with the Country Office support. A standard letter of agreement for provision of services by UNDP will be signed with CEPA (Please see *Annex 4 – Standard Letter of Agreement*) outlining the support to be provided by UNDP to the Implementing Partner (CEPA). Additionally, CEPA (through the Project Implementation Unit) will be leading on overall coordination of the programme and will be responsible (together with UNDP and other IPs) for: (i) coordinating activities to ensure the delivery of agreed outcomes; (ii) certifying expenditures in line with approved budgets and work plans; (iii) facilitating, monitoring and reporting on the procurement of inputs and delivery of outputs; (iv) coordinating interventions financed by GEF/UNDP with other parallel interventions; (v) preparation of Terms of Reference for consultants and approval of tender documents for subcontracted inputs; and (vi) reporting to UNDP on project delivery and impact.

95. The UNDP (based on the support outlined in the LoA) will monitor the project’s implementation and achievement of the project outputs, and ensure the proper use of UNDP/GEF funds. The UNDP Country Office (CO) will be responsible for: (i) providing financial and audit services to the project; (ii) recruitment and contracting of project staff; (iii) overseeing financial expenditures against project budgets; (iv) appointment of independent financial auditors and evaluators; and (v) ensuring that all activities, including procurement and financial services, are carried out in strict compliance with UNDP rules and regulations. More details on the services to be provided by UNDP are outlined in the LoA.

96. A centralised Program Management Unit (PMU) is currently in the process of establishment by the UNDP and CEPA to oversee, support, administer and coordinate the implementation of all UNDP-GEF environmental projects in PNG implemented through CEPA. The PMU will combine the support to all CEPA/UNDP initiatives including ongoing Cross-Cutting Capacity Development and Community-based Forest and Coastal Conservation and Resource Management Project, Strengthening the Management Effectiveness of the National System of Protected Areas Project currently in the design phase with implementation to begin in 2015 and a newly conceptualised Sustainable Biodiversity Conservation Finance project and all other initiatives supported by UNDP through CEPA. Under this project, the PMU is going to be responsible for coordination of all activities that are implemented by the different IPs. The PMU will be led by the international Technical Specialist. The TS will take the lead on and coordinate efforts of all PMU staff and contractors. The TS shall have a contractual responsibility to UNDP (in close coordination with CEPA) for the implementation of his/her duties and under the general guidance of the Projects Board. He/She will be funded from the funds of the different initiatives (based on the time spent), to support technical aspects and will take on a strong capacity development support role and will report to UNDP under overall guidance of the National Project Director. The terms of reference for the TS are detailed in Part III. The PMU is going to have the leading experts and staff focusing on different interventions. The above structure is going to ensure good synergies among all UNDP interventions implemented with CEPA.

97. The CEPA together with WPZ and TCA (and in close coordination with UNDP) will have the overall responsibility for achieving the project goal and objectives. CEPA will designate its official to act as the National Project Director (NPD). The NPD will provide the strategic oversight and guidance to project implementation in close collaboration with UNDP. The NPD will not be paid from the project funds, but will represent a Government in kind contribution to the Project. The NPD may sign and approve the project financial reports, the financial requests for advances any contracts issued under NIM component of the project. The NPD may delegate the above activities to the international Technical Specialist.

98. The MoU will be signed among UNDP, CEPA, TCA and WPZ to clarify the reporting relationships between each implementing partner. The MOU will also clarify the financial and reporting arrangements and procedures for the project.

99. A Project Steering Committee (PSC) established for all UNDP/CEPA initiatives will have a technical functions, vis-à-vis the Project Board. It will be constituted to serve as the project's coordination and high level decision-making body. The PSC will ensure that the project remains on course to deliver the desired outcomes of the required quality. The PSC will be chaired by the CEPA and co-chaired by UNDP (the 'executive'¹⁷). The PSC will include representation from TCA and WPZ ('senior supplier'¹⁸); (ii) major project beneficiaries including provinces ('senior beneficiary'¹⁹). Additionally, and UNDP will take role of project assurance²⁰. Representatives of other stakeholder groups may also be included in the PSC, as considered appropriate and necessary. Prospective membership of the PSC will be reviewed, and recommended for approval, during the Project Inception meeting. The PSC will meet at least twice per annum to review project progress, approve project work plans and approve major project deliverables.

100. The PSC will establish a formal reporting relationship with the National PA Round Tables (NPART) and National Conservation Council (NCC) to ensure ongoing alignment of the project with national strategies, plans and programs, in line with the PPA, once approved.

101. **CEPA (with support of PMU) will prepare annual work plans for each year.** The PMU will then consolidate these work plans into a single Annual Work Plan (AWP) and Annual Budget Plan (ABP) for the project. The AWP and ABP will be reviewed by the PSC every year. These plans will provide the basis for allocating resources to planned activities. Each IP AWP will have to be signed with UNDP. The PMU, with the inputs of each implementing partner, **will** further produce quarterly operational reports and Annual Progress Reports (APR²¹) or any other necessary reports. These reports will summarize the progress made by the project versus the expected results, explain any significant variances, detail the necessary adjustments and be the main reporting mechanism for monitoring project activities.

102. The project will also extensively use a number of international and national consultants that will be selected based on UNDP procurement rules and regulations.

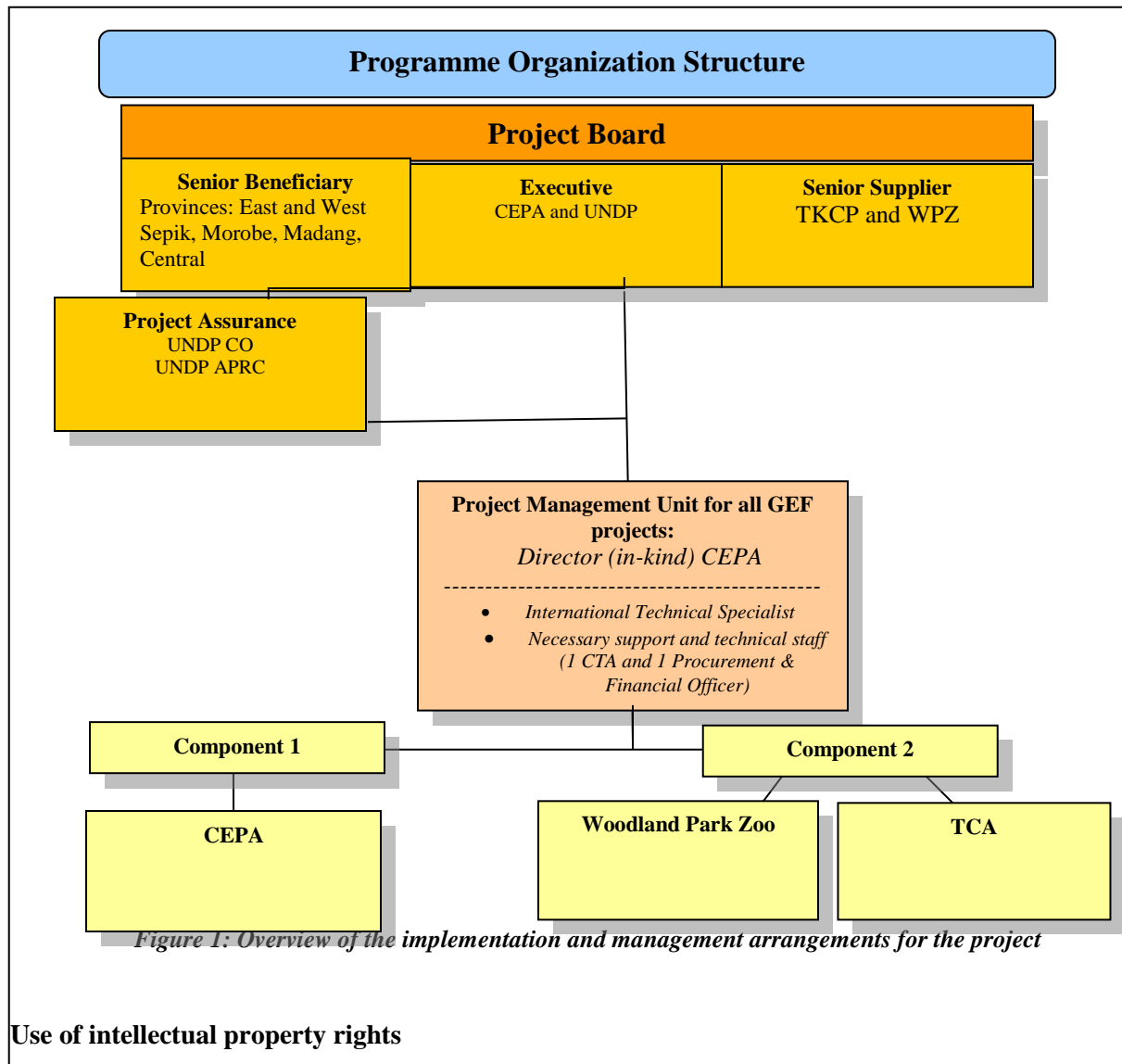
¹⁷ The role of the 'executive' is to ensure that the project is focused on achieving its outputs and that the project adopts a cost-conscious approach.

¹⁸ The 'senior supplier' is accountable for the quality of the outputs delivered by the supplier(s)

¹⁹ The 'senior beneficiary' commits user resources and monitors project outputs against agreed requirements

²⁰ The 'project assurance' will independently verify the quality of the products' or outputs'

²¹ This will be combined with the PIR



103. In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF.

PART IV: Monitoring and Evaluation Plan and Budget

MONITORING AND REPORTING

104. The project will be monitored through the following M& E activities. The M& E budget is provided in the table below.

Key M& E activities

Project start-up:

105. A Project Inception Workshop will be held within the first 3 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and program advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

106. The Inception Workshop will address a number of key issues including:

- a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and APRC staff vis à vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.
- b) Based on the project results framework and the relevant GEF Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- c) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
- d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- e) Plan and schedule Project Board meetings. Roles and responsibilities of all project organisation structures should be clarified and meetings planned. The first Project Board meeting should be held within the first 12 months following the inception workshop.

107. An Inception Workshop report is a key reference document and must be prepared and shared by the TC with participants to formalize various agreements and plans decided during the meeting.

Quarterly:

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- Based on the initial risk analysis submitted, the risk log shall be updated on a quarterly basis in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical).
- Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot.

- Other ATLAS logs can be used to monitor issues, lessons learned etc. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

Annually:

108. Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements.

109. The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- AWP and other expenditure reports
- Risk and adaptive management
- ATLAS QPR
- Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

Periodic Monitoring through site visits:

110. UNDP CO and the UNDP APRC will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP APRC and will be circulated no less than one month after the visit to the project team and Project Board members.

Mid-term of project review:

111. The project will undergo an independent Mid-Term Review at the mid-point of project implementation. The Mid-Term Review will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term review will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC).

112. The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term review cycle.

End of Project evaluation:

113. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC).

114. The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

115. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

Learning and knowledge sharing:

116. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums.

117. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

118. There will be a two-way flow of information between this project and other projects of a similar focus.

Communications and visibility requirements

119. Full compliance is required with UNDP's Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects needs to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: http://www.thegef.org/gef/GEF_logo. The UNDP logo can be accessed at <http://intra.undp.org/coa/branding.shtml>.

120. Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: [http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding the GEF%20final 0.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf). Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

121. Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

M& E workplan and budget

Table 1: M&E Activities, Responsibilities, Budget and Time Frame

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> ▪ TC ▪ UNDP CO, UNDP GEF 	Indicative cost: 20,000	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> ▪ UNDP GEF RTA/TC will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. 	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> ▪ Oversight by TC ▪ Project team 	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> ▪ TC and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG 	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> ▪ TC and team 	None	Quarterly
Mid-term Review	<ul style="list-style-type: none"> ▪ TC and team ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team) 	Indicative cost: 50,000	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> ▪ TC and team, ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team) 	Indicative cost : 50,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> ▪ TC and team ▪ UNDP CO ▪ local consultant 	0	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP CO ▪ TC and team 	Indicative cost per year: 5,000	Yearly
Visits to field sites	<ul style="list-style-type: none"> ▪ UNDP CO ▪ UNDP RCU (as appropriate) ▪ Government representatives 	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST <i>Excluding project team staff time and UNDP staff and travel expenses</i>		US\$ 145,000	

*Note: Costs included in this table are part and parcel of the UNDP Total Budget and Workplan (TBW) in the PRODOC, and not additional to it. Costs will be shared between UNDP and GEF according to the TBW.

AUDIT CLAUSE

122. Audit will be conducted according to UNDP Financial Regulations and Rules and applicable Audit policies. The Government will provide the Resident Representative with certified periodic financial statements for the project, and with annual audits of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals.

PART V: Legal Context

123. This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of Papua New Guinea and the United Nations Development Program, signed by the parties on 7 April, 1981. The host country-implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

124. Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

125. The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

126. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

127. The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

PART VI: Annexes

- Annex 1** Programme Document '*Strengthening the Management Effectiveness of the National System of Protected Areas*'
- Annex 2** Strategic Results Framework for the Project
- Annex 3** Project Budget
- Annex 4** Draft Standard Letter of Agreement

Annex 1: Programme Document '*Strengthening the Management Effectiveness of the National System of Protected Areas*'

Annex 2: Project Strategic Results Framework (*the Results Framework for the overall programme is outlined in Annex 1*)

PROJECT OBJECTIVE AND COMPONENTS	INDICATOR	BASELINE	END OF PROJECT TARGETS	SOURCE OF INFORMATION	RISKS AND ASSUMPTIONS
<p>Project Objective: To strengthen national and local capacities to effectively manage the national system of protected areas, and address threats to biodiversity and ecosystem functions in these areas</p>	Aggregated Average Capacity Development indicator score for CEPA, Madang, Morobe, West Sepik and East Sepik Provincial Government, TCA and TKCP	35.3%	62.3%	Project review of Capacity Development Indicator Scorecard	<p>Assumptions:</p> <ul style="list-style-type: none"> CEPA develops and implements its organisational structure to effectively meet its mandate for administering the protected area system Government continues to view protected areas as a key investment strategy for meeting biodiversity conservation (and selected socio-economic development) targets. Local NGOs and CBOs continue to support the implementation of CCAs and have the capacity to do so <p>Risks:</p> <ul style="list-style-type: none"> Capacities at different levels of government increase at a slower pace than required by the needs of the PA system Local NGOs and CBOs do not get long-term financial support to allow them to continue operations
	Total area expansion of the National Protected Area in the Varirata-Sogeri Plateau, YUS and Torricelli Mountains Landscapes	0 ha	255,000 ha	CEPA Records	
	Conducive policy environment for CEPA to operate within	<p>No policy regulating development impacts on biodiversity</p> <p>No clear direction on how funds and revenues will be earmarked within the overall CEPA financial structure</p>	<p>An enabling policy that established an effective national system to license and regulate development impacts on biodiversity</p> <p>An administrative regulation or similar issuance describing the process by which funds and revenues for PA management will be earmarked within the overall CEPA financial structure</p>	<p>Issuance of policy and administrative regulation or similar issuance</p>	
	Number of villages directly benefitting from community-	0	>60	Project record of technical support and	

PROJECT OBJECTIVE AND COMPONENTS	INDICATOR	BASELINE	END OF PROJECT TARGETS	SOURCE OF INFORMATION	RISKS AND ASSUMPTIONS
	based livelihood activity that contribute to the reducing the extent and intensity of threats to the YUS and Torricelli CAs			sub-grant funding agreements	
	IRRF Sub-indicator 1.1.3.A.1.1: Extent to which institutional frameworks are in place for conservation, sustainable use, and/or access and benefit sharing of natural resources, biodiversity and ecosystems	To be defined at project start	To be defined at project start	Project reports	
Component 1 Management capabilities of the PNG state to support and oversee Protected Area Management	Outputs: 1.1 Policies relating to PA Management and Biodiversity Conservation Strengthened. 1.2 Capacity of CEPA emplaced for effective management of the National PA System. 1.3 Training Programs targeting PA managers institutionalized. 1.4 Effective management of Varirata NP and its integration into the broader Sogeri Plains Landscape.				
	Capacity of CEPA	Development indicator score for CEPA: 38% New PA Policy Standards and guidelines: None Zero of CEPA's PA Unit staff completed specialised, targeted	Development indicator score for CEPA: 72% PNG PA Policy in place and implemented through a formulated Strategic Plan Standards and Guidelines for PA Management in PNG approved >30 of CEPA's PA Unit professional staff completed specialised, targeted	Project review of Capacity Development Indicator Scorecard Strategic plan included M&E plan Record of approval and adoption of standards and guidelines Staff training records Staff training certification Project reports	Assumptions: <ul style="list-style-type: none"> CEPA transition achieved in timely manner Approval of draft PNG PPA and implementation of proposed governance framework Sogeri Plateau – good work collaboration with JICA component; Careful partnership building with local land owners creates sufficient buy-in and commitment for establishment of CCA Risks: <ul style="list-style-type: none"> Capacities at different levels of government increase at a slower pace than required by the needs of the PA system Land ownership disputes on

PROJECT OBJECTIVE AND COMPONENTS	INDICATOR	BASELINE	END OF PROJECT TARGETS	SOURCE OF INFORMATION	RISKS AND ASSUMPTIONS
		short-course training in PA oversight and coordination	short-course training in PA oversight and coordination		Sogeri Plateau, which would hamper the implementation of output 1.4
	METT Scores of Varirata NP	Varirata NP: 27%	Varirata NP: 50%	Project review of METT Scorecards at mid-term and end of project	
	Sirinumu Dam Integrated Land Use Plan approved and being implemented	No Plan in place	Sirinumu Dam Integrated Land Use Plan approved covering a landscape area of > 7000 ha	Record of approval of ILUP	
	Sedimentation levels in the Laloki River as measured at relevant downriver site (and compared to levels in the Sirinumu dam)	To be determined in Year 1 of the project	5% less than the baseline	Technical studies, assessments and project reports	

Annex 3: Project Budget (the full programme budgeted is outlined in Annex 1)

Award ID:	00087986
Project ID:	00094837
Award Title:	Strengthening the Management Effectiveness of the National System of Protected Areas
Business Unit:	PNG10
Project Title:	Strengthening the Management Effectiveness of the National System of Protected Areas
PIMS no.	5261
Implementing Partner (Executing Agency)	CEPA

GEF Outcome/ Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	ATLAS Budget Code	ATLAS Budget Description	Amount YEAR 1 (USD)	Amount YEAR 2 (USD)	Amount YEAR 3 (USD)	Amount YEAR 4 (USD)	Amount YEAR 5 (USD)	TOTAL	Budget #
Component 1: Management capabilities of the PNG State to support and oversee Protected Area Management	CEPA	62000	GEF	71200	International Consultants	63,000.00	100,500.00	130,500.00	63,000.00	93,000.00	450,000.00	1
				71300	Local Consultants	-	-	20,000.00	-	20,000.00	40,000.00	2
				71400	Contractual Services - Individuals	160,320.00	160,320.00	160,320.00	160,320.00	160,320.00	801,600.00	3
				71600	Travel	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	600,000.00	4
				72100	Contractual Services - Companies	170,000.00	225,000.00	220,000.00	210,000.00	210,000.00	1,035,000.00	5
				72200	Equipment and furniture	118,000.00	95,000.00	50,000.00	50,000.00	46,176.00	359,176.00	6
				72300	Materials and goods	265,000.00	199,400.00	170,000.00	180,000.00	180,000.00	994,400.00	7

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				74200	Audio Visual & Print Product Costs	20,000.00	20,000.00	10,000.00	10,000.00	10,000.00	70,000.00	8
				72500	Supplies	16,000.00	22,000.00	22,000.00	14,000.00	14,000.00	88,000.00	9
				74100	Professional Services	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	300,000.00	10
				75700	Training, workshop & conference	90,000.00	70,000.00	70,000.00	70,000.00	71,000.00	371,000.00	11
				TOTAL COMPONENT 1					1,082,320.00	1,072,220.00	1,032,820.00	937,320.00
Project Management	CEPA and UNDP	62000	GEF	71300	Local Consultants	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	150,000.00	31
				71600	Travel	27,307.00	20,000.00	45,000.00	20,000.00	40,000.00	152,307.00	32
				72200	Equipment and Furniture	25,000.00	5,000.00	5,000.00	2,000.00	2,000.00	39,000.00	33
				72500	Supplies	5,000.00	5,000.00	5,000.00	4,000.00	3,000.00	22,000.00	34
				74100	Professional Services	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	25,000.00	35
				74599	Direct Project Cost	24,199.00	24,370.00	22,484.00	20,314.00	20,324.00	111,693.00	36
				Total - Project Management (GEF)					116,506.00	89,372.00	112,484.00	81,314.00

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	CEPA and UNDP	4000	UNDP-TRAC	71200	International Consultants	50,000	50,000	50,000	50,000	50,000	250,000	37
Total - Project Management (UNDP-TRAC)						50,000	50,000	50,000	50,000	50,000	250,000	
TOTAL PROJECT MANAGEMENT						166,506	139,372	162,484	131,314	150,324	750,000	
TOTAL PROJECT (Component 1 + Project Management)						1,248,826	1,211,592	1,195,304	1,068,634	1,134,820	5,859,176	

Summary of Funds:

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
GEF	1,198,826	1,161,592	1,145,304	1,018,634	1,084,820	5,609,176
UNDP-TRAC	50,000	50,000	50,000	50,000	50,000	250,000
TOTAL	1,248,826	1,211,592	1,195,304	1,068,634	1,134,820	5,859,176

Budget Notes	
Component 1	
1	Contract (i) an international Project Chief Technical Advisor for 5 years (part time at 16.8 weeks per annum for 5 years @ \$3,750/week) to coordinate the change management process and capacity development aspects of Component 1, will support the development of Strategy for PNG PAP implementation, development of protocols, guidelines, standards etc. Strong capacity development (mentoring and coaching) focus in support of CEPA (Output 1.1 – 1.4); and (ii) an international expert in the Ecosystem Health Monitoring to provide specialist support in the design and development of the Ecosystem Monitoring Programme and in the design of a monitoring database and user interface (10 weeks per year for two years @ \$3,500/week); (iv) an international mid-term evaluation consultant (10 weeks @ \$3,000/week) and an international final evaluation consultant (10 weeks @ \$3,000/week) (M&E)
2	A local mid-term evaluation consultant (10 weeks @ \$2,000/week) and a local final evaluation consultant (10 weeks @ \$2,000/week) (M&E)
3	Contractual appointment of (i) law enforcement rangers to complement the existing one staff member in Varirata National Park (6 rangers @ \$10,000 per year for 5 years); 2 PA Management staff @ \$29,360 per year for 5 years); 2 Tourism rangers (2 rangers @ \$10,000 per year for five years); and support staff (6 @ \$300 per month for 5 years)
4	Travel costs (including accommodation, flights, vehicle and plane hire, meals etc) associated with (i) development and testing CEPA management tools and operationalization of PAP instruments (outputs 1.1, 1.2 and 1.3); (ii) study tours and staff exchange programmes (40 staff, community leaders and others @ \$5000 per person) (Output 1.3).
5	Contracting the services of (i) a protected area planning consortium to prepare the strategic plan, policies and guidelines manual for national protected area management @ \$ 300,000 over 5 years (Output 1.1 and 1.2) (ii) a change management consortium to prepare the transition plan for a PA Management and Oversight Unit in CEPA @ \$550,000 over 5 years (output 1.1); (ii) business consulting firm to assess feasibility, prepare conceptual and, if needed, architectural designs and raise funds for CECA @ \$80,000 over 2 years (output 1.3); and (iv) contracted planning service provider for the development of a Management and Financial Plans for Varirata NP and a Sirinumu ILUP @ \$ 105,000 over two years (Output 1.4)
6	Purchase of project vehicle (related especially to outputs 1.2. to 1.4 esp. for field work in Variata and Sogeri; 4x4 vehicle budget 30,000 USD), CEPA co-financing will contribute to running expenses, which are partially budgeted for under supplies), office equipment and furniture for the equipping of PA management unit at CEPA (both in Port Moresby and at VNP, up to 12 computers (up to US\$ 1,000 per computer), printers, scanners etc. communication equipment (telephones, cell phones); equipment for rangers at Varirata (office furniture and equipment, telephones, cell phones, radio for contact with field sites and headquarters) (overall up to 10 staff members at CEPA and Varirata).
7	Material needed for upgrading of conservation area in Varirata as well as for habitat rehabilitation in the Sogeri Plateau area, including fencing materials, signposting, seedlings and equipment for tree planting and habitat restoration activities. Hand tools, equipment, implements, materials for establishment of tree nurseries, storage facilities, transportation means, to be covered from this budget item, all related to output 1.4. Up to 20,000 tree seedlings are needed for the rehabilitation purposes.
8	Web publishing and the design, printing, binding and circulation of the policies and guidelines manual for national protected areas in Output 1.1.
9	Office supplies, paper, cartridges and other consumables, also including car maintenance and fuel supplies for project activities the CEPA PA unit, both at HQ and Varirata.
10	Implementation of (i) training and capacity development services to develop and implement a comprehensive training programme for CEPA staff including the development and training the trainer, and SMART training for all newly contracted rangers (output 1.3) (\$300,000 over 5 years)
11	Training of trainer staff of CEPA on new PA policy, PA management aspects including management planning and business planning (60,000); training of all newly recruited rangers for three target sites in SMART patrolling (100,000); training of provincial and district judiciary and police on the nature of wildlife crimes and the approaches to address these (60,000); participation of 2-3 national stakeholders in training workshops / programs and

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	monitoring / reporting activities of the UNDP-GEF Regional R2R Project (\$140,000); training / meeting costs for outreach on PA financing mechanisms (25,000) and inception workshop (\$20,000)
Project Management Costs	
31	Procurement and Accounting Officer, 5 years at US\$ 30,000 per year
32	PMU travel, related to project oversight and operationalization, including site inspections and participation in activities in the project sites. Also includes travel to inception workshop, mid-term review and final evaluation.
33	Office equipment, possibly a small vehicle for administrative purposes in PoM; office equipment and furniture for the PMU office at CEPA, up to 4 computers (at up to US\$ 1,000 per computer), printers, scanners etc. communication equipment (telephones, cell phones).
34	PMU office supplies, paper, cartridges and other consumables, also including car maintenance and fuel supplies for project activities of the PMU related to overall project.
35	Audit fees (\$25,000)
36	Direct Project Services - Estimated UNDP Direct Project Service/Cost recovery charges. The costs that are related to operational and administrative support activities carried out by UNDP offices such as a) HR activities b) Procurement activities, and c) finance transactions.
37	Salary for Technical Coordinator, part-time, at US\$ 50,000 per year for 5 years

Annex 4 Standard Letter of Agreement (DRAFT)

LETTER OF AGREEMENT
BETWEEN UNDP AND THE GOVERNMENT OF PAPUA NEW GUINEA
for Strengthening the Management Effectiveness of the National System of Protected Areas
(project ID TBD; PIMS 5261)

Dear Mr. Joku,

1. Reference is made to consultations between officials of the Government of Papua New Guinea's Conservation and Environment Protection Authority (CEPA) (hereinafter referred to as "the CEPA") and officials of UNDP with respect to the provision of support services by the UNDP Country Office (CO) for the new project titled "*Strengthening the Management Effectiveness of the National System of Protected Areas (PIMS 5261)*". UNDP and the CEPA hereby agree that the UNDP country office may provide such support services at the request of CEPA through its institution's designated unit or division in the relevant project document, as described.
2. The UNDP CO may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP CO shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly.
3. In addition, the UNDP CO may provide, at the request of the designated institution/Implementing Agent, the following support services for implementation activities:
 - (a) Identification and/or recruitment of programme and project personnel²²;
 - (b) Identification and facilitation of training activities;
 - (c) Procurement of goods and services;
4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP CO shall be in accordance with the UNDP regulations, rules, policies and procedures. If the requirements for support services by the CO change during the life of a programme or project, the annex to the project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.
5. The relevant provisions of Article 1 of the SBAA between the Government of Papua New Guinea and UNDP signed on the 7th April 1981 (the "SBAA"), including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally executed project or programme through its designated institution/Implementing Agent. The responsibility of the UNDP country

²² This may include Access to UNDP-managed global information systems, including rosters of consultants and providers of development services.

office for the provision of the support services described herein shall be limited to the provision of such support services²³.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP CO in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.

7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the **Annex 5 – Description of Activities**.

8. The UNDP CO shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP CO for this project.

Yours sincerely,

Signed on behalf of UNDP
Roy Trivedy
Resident Representative

For the Government of Papua New Guinea
Mr. Gunther Joku
Managing Director
Conservation and Environment Protection Authority

²³ The charges will be made using the attached Universal Pricelist.

Annex 5 Description of Activities

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between *CEPA*, the institution designated by the Government of Papua New Guinea and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed programme - ‘*Support to Strengthening the Management Effectiveness of the National System of Protected Areas*’, “the Programme”.

2. In accordance with the provisions of the letter of agreement signed on September 2015 and the Programme Document, the UNDP country office shall provide support services for the Programme as described below.

3. Support services to be provided:

Support services (insert description)	Schedule for the provision of the support services	Cost to UNDP of providing such support services (where appropriate)	Amount and method of reimbursement of UNDP (where appropriate)
1. HR services	For at least 4 staff members per year	US\$1035,54	US\$20,710.80
2. Financial services	At least 240 transactions per year	US\$37,01	US\$44,412.00
3. Consultant recruitment	At least 8 consultancies per year	US\$432,82	US\$17,312.80
4. Procurement services	At least 4 procurement cases per year	US\$923.7	US\$18,474.00
5. Other services (Vendor profile, issuance of IDs, Travel Authorisation, etc)	As per the project work plan	US\$2,156.8	US\$10,784.00
TOTAL:			US\$111,693

4. Description of functions and responsibilities of the parties involved:

Please see Management Arrangements of the *Annex I – Programme Document*.