

THE REPUBLIC OF SOUTH AFRICA  
THE DEPARTMENT OF ENVIRONMENT, FORESTRY AND FISHERIES

**SOUTH AFRICA: CATALYZING FINANCING AND CAPACITY FOR THE  
BIODIVERSITY ECONOMY AROUND PROTECTED AREAS (P170213)**

**PROCESS FRAMEWORK**

May 2020

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## ABBREVIATIONS AND ACRONYMS

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BEP	Biodiversity Economy Programme
CSOs	Civil Society Organizations
DEFF	Department of Environment, Forestry and Fisheries
ECPTA	Eastern Cape Parks and Tourism Agency
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESS5	Environmental and Social Standard on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
GEF	Global Environmental Facility
GRM	Grievance Mechanism
IP/SSAUTLCS	Indigenous Peoples/Sub-Saharan Africa Historically Underserved Traditional Local Communities
LRBSI	Land Reform and Biodiversity Stewardship Initiative
iSWPA	iSimangaliso Wetland Park Authority
M&E	Monitoring and Evaluation
NPAES	National Protected Area Expansion Strategy
PA	Protected Area
PAD	Project Appraisal Document
PAPs	Project Affected Persons
PES	Payments for Ecosystem Services
PF	Process Framework
PIU	Project Implementation Unit
PoA	Plan of Action
RSA	The Republic of South Africa
SANBI	South African National Biodiversity Institute
SANParks	South Africa National Parks

## **1. INTRODUCTION**

This document is the Process Framework (PF) for the proposed South Africa: Catalyzing Financing and Capacity for the Biodiversity Economy around Protected Areas, P170213 (the Project) financed through the grant of the Global Environmental Facility (GEF) administered by the World Bank. The PF was prepared by the Department of Environment, Forestry and Fisheries (DEFF) in close collaboration with the South African National Biodiversity Institute (SANBI), South Africa National Parks (SANParks) and iSimangaliso Wetland Park Authority (iSWPA) as the DEFF's implementing partners of the Project). The project is further supported by the Eastern Cape Parks and Tourism Agency (ECPTA) and the Limpopo Department of Economic Development, Environment and Tourism (LEDET).

Conservation projects funded under the GEF that may induce restrictions of access to designated parks or protected areas without acquiring the land outright require a PF to guide implementation. It is prepared to establish the process and procedures under the Project which will apply where restrictions to land may arise as a result of supported activities or in anticipation of project activities.

The aim of the PF is to establish the consultative process by which the communities that agree to land restrictions participate in the designing of the restrictions as well as in proposing the mitigation measures that are critical for the successful outcomes and in order to avoid any adverse social and economic impacts from restrictions to land use. Specific plans of action will be developed in accordance with the PF procures. Such plans will set out the mitigation measures that have been agreed to with the affected communities and be submitted by DEFF to the World Bank for approval before the restrictions can be implemented.

### **1.1 Components of the Process Framework**

A process framework is prepared when Bank-supported projects may cause restrictions in access to natural resources in legally designated parks and protected areas. The purpose of the process framework is to establish a process by which members of potentially affected communities participate in design of project components, determination of measures necessary to achieve resettlement policy objectives, and implementation and monitoring of relevant project activities as per ESS5, section 25<sup>1</sup>, and it describes participatory processes by which the following activities will be accomplished.

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<sup>1</sup> ESS5, section 25: "Where the likely nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown during project

To achieve the objectives of the Environmental and Social Framework (ESF), in particular ESS1, 5 and 7, and 10 particular attention is paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, Indigenous peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (IP/SSAUTHLC)<sup>2</sup>, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.

This framework includes:

- a) *Project components* or activities that may involve new or more stringent restrictions on natural resource use. It describes the process by which potentially displaced persons participate in project design.
- b) *Criteria for eligibility of affected persons*, including the measures to enable affected communities to be involved in identifying any adverse impacts, assessing of the significance of impacts, and establishing of the criteria for eligibility for any mitigating or compensating measures necessary.
- c) *Measures to assist affected persons in their efforts to improve their livelihoods or restore them, in real terms, to pre-displacement levels, while maintaining the sustainability of the park or protected area.* This section describes the methods and procedures by which communities will identify and choose potential mitigating or compensating measures to be provided to those adversely affected, and procedures by which adversely affected community members will decide among the options available to them.
- d) *Potential conflicts or grievances within or between affected communities will be resolved.*
- e) *Administrative and legal procedures.* The framework reviews agreements reached regarding the process approach with relevant administrative jurisdictions and line ministries (including clear delineation for administrative and financial responsibilities under the project).
- f) *Monitoring arrangements.* The document outlines the arrangements for participatory monitoring of project activities as they relate to (beneficial and adverse) impacts on persons/communities within the project impact area, and for monitoring the effectiveness of measures taken to improve (or at minimum restore) incomes and living standards.

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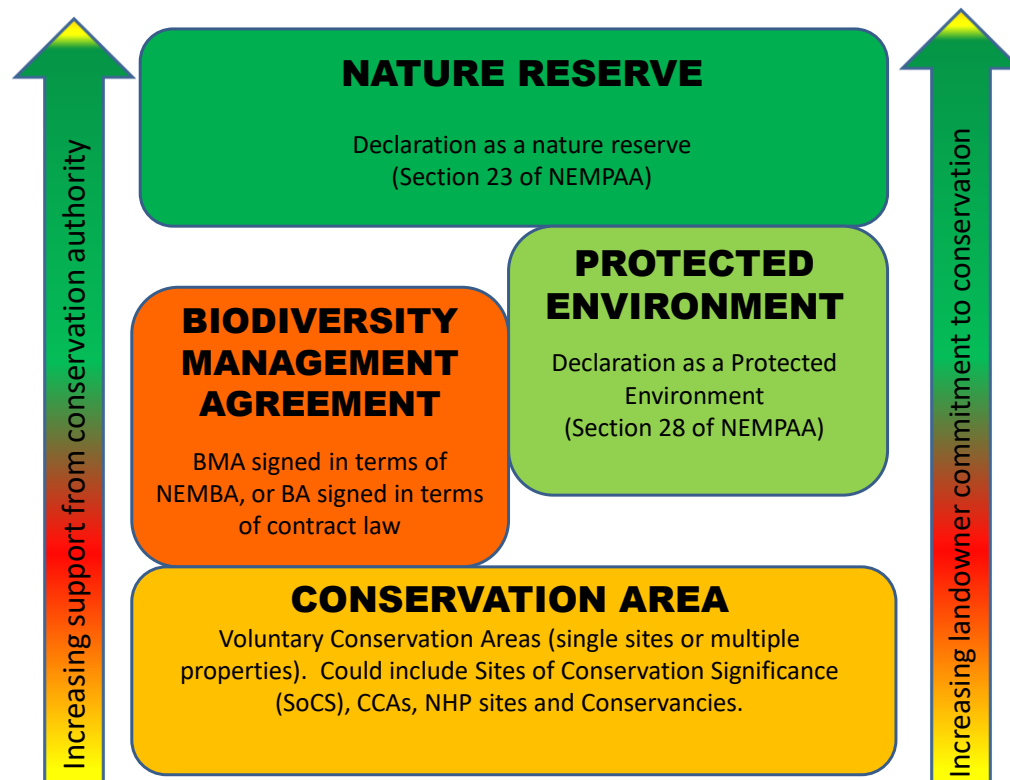
preparation, the Borrower will develop a framework establishing general principles and procedures compatible with this ESS. Once the individual project components are defined and the necessary information becomes available, such a framework will be expanded into one or more specific plans proportionate to potential risks and impacts. No physical and/or economic displacement will occur until plans required by this ESS have been finalized and approved by the Bank.

<sup>2</sup> See ESS7.

## **2. BACKGROUND AND CONTEXT**

South Africa sees its national parks and provincial reserves as important catalysts for socio-economic development. The vast system of protected areas (PAs) is managed by a range of national conservation agencies such as South African National Parks (SANParks) and the iSimangaliso Wetland Park Authority, provincial conservation agencies (including ECPTA, LEDET and EKZNW), and private and communal structures. South Africa's National Biodiversity Strategy and Action Plan (NBSAP) promotes the development of a Biodiversity Economy, defined as encompassing "the businesses and economic activities that either directly depend on biodiversity for their core business or that contribute to conservation of biodiversity through their activities" including the Bioprospecting sub-sector (research on, or development or application of, indigenous biological/genetic resources for commercial or industrial exploitation and the Wildlife sub-sector (live sales of indigenous wildlife; sale of game meat and products, and safari hunting). This includes access to and sharing of benefits with communities adjacent to national parks and provincial nature reserves as vital to the sustainability of the PA system.

Given the ecological and socio-economic relevance of the PA system, and the fact that the existing system does not yet include a representative sample of all ecosystems as well as key ecological processes, the Government established a 20-year National Protected Area Expansion Strategy (NPAES) in 2008. In addition to acquisition of new land and declaration of state land, the strategy places strong emphasis on contract agreements with private and communal landowners/users, developed through 'biodiversity stewardship programs' (BSP), as the most cost-effective mechanism for government to adequately conserve land identified as having threatened ecosystems and as high priority for the achievement of PA targets (please refer to diagram below). Such voluntary biodiversity stewardship agreements account for 90% of expansion of the terrestrial PA estate achieved over the past 15 years. Initially, stewardship efforts were focused on commercial farmers but in recent years, several thousand land reform beneficiaries have participated in concluding stewardship agreements over more than 100,000 ha of land reform areas that have high biodiversity value. In so doing, more than 20 stewardship agreements have been signed between land reform beneficiaries and conservation authorities or NGOs, with co-management arrangements put in place to help manage the land.



The next step of facilitating conservation-compatible businesses and livelihoods based on the land has proven more challenging, given the extensive barriers to rural business development. Communities with settled claims may access post-declaration financial support from the Department of Agriculture, Rural Development and Land Reform (DARDLR), but there is a lack of clear and viable financing models, poor alignment of multiple government developmental programs, and insufficient access to technical assistance, business development support and market linkages. The Land Reform and Biodiversity Stewardship Initiative (LRBSI), established in 2009, is a conservation and development

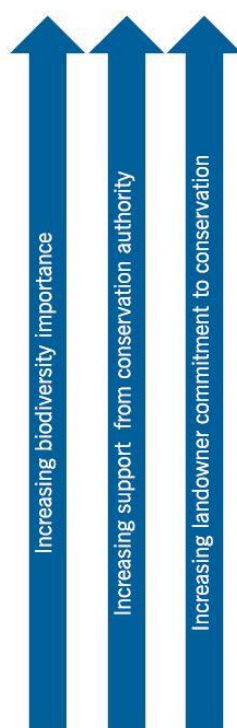


initiative between SANBI, DEFF, and the DARDLR. It recognizes community landowners<sup>3</sup> as the custodians of biodiversity on their land and supports conservation and rural development benefits for land reform beneficiaries in areas of critical biodiversity importance. The initiative, which by all intents and purposes is a subset of this broader BSP initiative, has been successful in supporting communities to secure agreements and intensify efforts to support livelihoods in stewardship sites – through capacity for ecotourism, game farming, sustainable natural resource harvesting and related entrepreneurial opportunities.

South Africa considers five different levels of conservation as illustrated in the table below, three of which are enshrined in national law.

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<sup>3</sup> Community land may include communal land, held in trust by the Traditional Authority on behalf of clearly defined community/ies, in terms of the Traditional Leadership and Governance Framework Act (Act 41 of 2003), or land owned by land reform beneficiaries with successfully settled land claims in terms of the Restitution of Land Rights Amendment Act (Act 48 of 2003), and governed by a Communal Property Association or Development Trust.



TYPE OF AGREEMENT	LEGAL MECHANISM	
<b>Nature Reserve*</b>	National Environmental Management: Protected Areas Act (Act 57 of 2003)	<ul style="list-style-type: none"> <li>• Suitable for sites with highest biodiversity importance</li> <li>• Binding on property: declaration of Nature Reserve, and a title deed restriction</li> <li>• Binding on landowner: contract with landowner usually for 30 to 99 years/in perpetuity</li> <li>• Considered to be part of South Africa's protected area estate, and contributes to meeting protected area targets</li> </ul>
<b>Protected Environment</b>	National Environmental Management: Protected Areas Act (Act 57 of 2003)	<ul style="list-style-type: none"> <li>• Suitable for declaration over multiple properties</li> <li>• Less restrictive land use than Nature Reserve</li> <li>• Binding on property: declaration of Protected Environment, and a title deed restriction</li> <li>• Binding on landowner: contract with landowner usually for 30 to 99 years/in perpetuity</li> <li>• Considered to be part of South Africa's protected area estate, and contributes to meeting protected area targets</li> </ul>
<b>Biodiversity Management Agreement</b>	National Environmental Management: Biodiversity Act (Act 10 of 2004)	<ul style="list-style-type: none"> <li>• Less restrictive than protected area declaration</li> <li>• Must have a Biodiversity Management Plan (in terms of Biodiversity Act) on all/part of the property</li> <li>• Binding on landowner: contract with landowner for a minimum of 5 years, or longer in 5 year increments</li> </ul>
<b>Biodiversity Agreement</b>	Contract law	<ul style="list-style-type: none"> <li>• Less restrictive than protected area declaration</li> <li>• Binding on landowner: contract with landowner for a minimum of 5 years or longer</li> </ul>
<b>Biodiversity Partnership Area</b>	Informal agreement	<ul style="list-style-type: none"> <li>• Non-binding partnership</li> <li>• May include a Memorandum of Understanding</li> </ul>

\* Or National Park

Under the Project, communities that receive support from the Project to restrict existing land uses and enter into agreement for stewardship will make collective decisions about the options available to them as eligible individuals or households to ensure that the restrictions are not imposing adverse short-, medium- or long-term impacts. The PF describes how communities will be involved in:

- Devising reliable and equitable ways of sustainably sharing the resource at issue;
- Obtaining access to alternative resources available for use or functional substitutes;
- Developing alternative livelihood strategies to purchase resource substitutes;
- Providing access to resources outside the area committed to biodiversity stewardship; and

- Other opportunities to offset loss of access to resources.

The PF also describes enforcement provisions and clearly delineates responsibilities of the community and government agencies to ensure that use restrictions are observed and the approach to handle potential conflicts or grievances.

The PF has been prepared in accordance with South African legislation, policies and guidelines, as well as the World Bank Environmental and Social Standard 5 (ESS5): Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.<sup>4</sup> Key South African legislation, policies and guidelines include:

- National Development Plan
- National Protected Areas Expansion Strategy and Biodiversity Stewardship Model
- Key Environmental Legal and Policy Frameworks:
  - National Environmental Management: Protected Areas Act;
  - National Environmental Management: Biodiversity Act;
  - National Environmental Management: Integrated Coastal Management Act.
- Key Land Reform Legal and Policy Frameworks:
  - Restitution of Land Rights Act;
  - Land Reform (Labour Tenants) Act;
  - Extension of Security of Tenure Act (ESTA);
  - Communal Land Rights Act;
  - Policy for the Recapitalisation and Development Programme;
  - Policy for the Integration of Environmental Planning into Land Reform and Rural Development Project; and

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<sup>4</sup> In accordance with ESS5, the PF will apply to any i) *Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas;* ii) *Land rights or claims to land or resources relinquished by individuals or communities without full payment of compensation; and* iii) *Land acquisition or land use restrictions occurring prior to the project, but which were undertaken or initiated in anticipation of, or in preparation for, the project.*

- Spatial Planning and Land Use Management Act.

### 3. PROJECT DESIGN

The project development objective is “to leverage financial resources and improve capacity to implement the Biodiversity Economy and increase benefits from selected PA landscapes to local communities”.

The Project has three components and several subcomponents, summarized below. For detailed project description, please see the Project Appraisal Document (PAD).

The project will put forth a new Protected Areas (PA) management model with the following key elements:

- **Component 1:** Build biodiversity economy nodes for community stewardship and livelihoods
- **Component 2:** Grow the biodiversity economy nationally to enhance communities’ stake in wildlife conservation
- **Component 3:** Project management and monitoring

### 4. PROJECT COMPONENTS:

#### **Component 1: Build biodiversity economy nodes for community stewardship and livelihoods**

- **Subcomponent 1.1: Support multi-stakeholder coordination platforms to develop shared vision for biodiversity economy nodes on land use and economic development.** Activities under this subcomponent aim to bring together stakeholders around a shared vision for the biodiversity economy in each of the three project nodes through the following:
  - Coordinating actions around a shared vision of the biodiversity economy for the node through a multi-stakeholder structure;
  - Producing a Biodiversity Economy Node Master Plan for the node, linked to municipal planning and district service delivery; and
  - Facilitating and align public and private investments in fulfilment of the Master Plan through conducting feasibility studies.
- **Subcomponent 1.2: Promote small business incubation across each node.** This subcomponent focuses on small business incubation in the project nodes through the following:

- Providing technical training to a large number of community entrepreneurs and would-be entrepreneurs, with a special focus on unemployed youth and women, to develop initial plans for business start-up or expansion;
  - Using a competitive process in which entrepreneurs “pitch” their ideas for establishing or growing/improving a business, and the best biodiversity economy proposals are provided with targeted support; and
  - Ensuring that the businesses selected and supported are placed on a sustainable growth path by mentoring them to get their businesses to the point where they are turning a profit and can sustain themselves.
- **Subcomponent 1.3: Strengthen governance capacity and ownership for equitable benefit sharing.** This subcomponent aims to improve the benefit sharing of the Biodiversity Economy within each of the project nodes, in particular with the communities that live in and around the PAs, by:
    - Supporting equity ownership by communities in anchor investments;
    - Improving the governance capacity of communities; and
    - Providing capacity building to strengthen leadership capacity of communities, and (iv) including a targeted effort to build women’s leadership roles.
  - **Subcomponent 1.4: Facilitate community stewardship to expand wildlife habitat.** This subcomponent aims to support communities to conclude biodiversity stewardship agreements and expand land under conservation in the nodes. This support involves:
    - Facilitating the biodiversity stewardship process, from consultation and negotiation, potentially all the way through to declaration of a new conservation area or protected area; and
    - Providing post-declaration support to community stewardship sites for income generation and ecosystem management, and a sustainability plan. This work will be led by project stewardship facilitators in the relevant conservation agency in each project node, supported by the project node coordinators

## **Component 2: Grow the biodiversity economy nationally to enhance communities’ stake in wildlife conservation**

- **Subcomponent 2.1 Promoting the wildlife sector of the biodiversity economy, drawing on best practice from the nodes.** This subcomponent focuses in on a key sub-sector of the biodiversity economy – the wildlife sector, prioritized by DEFF because of its massive potential for growth and transformation, and for contributing to the country’s conservation targets, as well as the significant barriers to realizing this potential. This subcomponent includes:
  - Piloting the implementation of an emerging national game meat strategy in the nodes;

- Upgrading the national extension system for wildlife SMMEs, using the three project nodes as pilots;
- Piloting a new interactive interface for the biodiversity economy digital platform, with SMME participants and content from the nodes; and
- Facilitating participation by South Africa in the Global Wildlife Program, including regional and international events.
- **Subcomponent 2.2: Knowledge exchange across nodes and capturing learning on community stewardship and biodiversity economy.** This knowledge and learning sub-component involves four areas of work, which collectively aim to capture learning and best practice emerging from the three project nodes, supporting them to distil this into shared knowledge products for the project, and then disseminate the learning widely through SANBI's networks, in partnership with DEFF and the project sub-executing agencies. This work will be overseen by SANBI because of its strong technical and thought leadership capacity, in its role as a sub-executing agency, to provide the technical “glue” to the project as a whole. This subcomponent includes:
  - Developing capacity for community stewardship, in the nodes and nationally;
  - Supporting communities in the nodes to share experiences, draw on national best practice and disseminate learning;
  - Building institutional capacity for spatial planning and mainstreaming in biodiversity economy nodes;
  - Exploring Natural Capital Accounting approaches to quantify the economic contribution of the biodiversity economy.

## 5. POLICY AND LEGAL FRAMEWORK

The Project is aligned to several government initiatives and programmes. This section provides a brief overview of key provisions relevant policies, programmes and frameworks.

### 5.1 South Africa's Policy Frameworks

#### 5.1.1 *The National Development Plan (2030)*

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. The plan focuses on the critical capabilities needed to transform the economy and society. Given the complexity of national development, the plan sets out six interlinked priorities:

- Uniting all South Africans around a common programme to achieve prosperity and equity.
- Promoting active citizenry to strengthen development, democracy and accountability.
- Bringing about faster economic growth, higher investment and greater labour absorption.
- Focusing on key capabilities of people and the state.
- Building a capable and developmental state.
- Encouraging strong leadership throughout society to work together to solve problems.

Of particular importance to this project are the following NDP objectives: i) Environmental Sustainability and Resilience through increased landscapes under protection for biodiversity conservation and investment in rural livelihoods; ii) Economy and Employment through reduced unemployment, broadened ownership of assets and increased GDP; iii) Social Protection through training and skills development for income support and improved participatory governance and co-management for more transparent benefit-sharing with marginal communities; and iv) Inclusive Rural Economy through sustainable rural economic development; promotion of inclusive businesses and value chains; and multi-stakeholder engagement among strategic partners (Government of South Africa, NGOs, and private sector), beneficiaries and PAs authorities.

### ***5.1.2 The National Protected Area Expansion Strategy and Biodiversity Stewardship Programme***

The South African Government established a 20-year National Protected Area Expansion Strategy (NPAES) in 2008. The Strategy sets spatial targets for land-based protected area expansion. Through the NPAES, maps of focus areas for protected area expansion were produced under the National Biodiversity Assessment (NBA) 2011. The NPAES also proposes two mechanisms for expanding protected areas, namely through the acquisition of land or contractual agreements with landowners/users. However, the NPAES also recognises the high cost associated with land acquisitions and further recommends contractual agreements through Biodiversity Stewardship Programmes as a more cost-effective alternative for protected area expansion<sup>5</sup>. Details on the Biodiversity Stewardship Programme are in Annex 1.

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<sup>5</sup> Draft Guideline Document: Unlocking Sustainable Economic Development Potential on Land Reform Projects that are located in Areas of Biodiversity Importance (SANBI, 2013).

The Biodiversity Stewardship Programme encourages and enables landowners/users to become responsible custodians of the land, the natural resources and associated biodiversity. The initiative calls for agreements that provide landowners/users with different levels of protection and user rights. Three levels of agreements are currently being implemented, namely<sup>6</sup>:

- *Conservation Area Agreements* that are flexible (usually short term) agreements that are not legally binding and without a prescribed period of commitment;
- *Biodiversity Agreement/Protected Environment Agreements* that legally binding (usually medium term) agreements;
- *Contract Nature Reserves* that are long term legally binding contractual agreements for biodiversity conservation and give the highest form of protection.

The Biodiversity Stewardship Programme is underpinned by the following features and approach:

- Provides for a voluntary commitment between landowners/users and government conservation agencies;
- Focuses on privately/communally owned/used land;
- Enables landowners/users to be custodians of the land and as such will continue to be the key users and managers of the land;
- Provides for legally binding agreements to be developed for sites of high biodiversity value (determined through systematic biodiversity planning, followed by site assessments). The higher the biodiversity importance of the site the stronger should be the legally binding nature of the agreement;
- Allows biodiversity stewardship agreement to apply to a portion of a property, or an entire property or group of properties. It also provides for different stewardship categories to be implemented side by side in any particular landscape; and
- Provides a minimum duration of the contractual agreement between the landowner or community and the relevant conservation authority per biodiversity category.

The Biodiversity Stewardship Guidelines that have been developed are in line with the National Environmental Management Acts that have a direct impact on the implementation of Biodiversity Stewardship projects/programs. This includes the Protected Areas Act (57 of 2003) and the Biodiversity Act (Act 10 of 2004) which are the two key acts for the Biodiversity Stewardship Programmes.

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<sup>6</sup> Ibid.



The Biodiversity Act (Act 10 of 2004) has a set of tools aimed to assist in identifying biodiversity priorities within provinces by the relevant provincial authorities and conservation agencies. These include the National Biodiversity Framework (NBF), the Bioregional Plans, Biodiversity Management Plans, Biodiversity Management Agreements, Listing Threatened and Protected Ecosystems, Listing Threatened and Protected Species and Control and enforcement of species and organisms posing a potential threat to biodiversity.

The Protected Areas Act (Act 57 of 2003) creates a platform for categorising, declaring and managing protected areas through a sound cooperative governance structure. The various categories of protected areas in the Act include, Special Nature Reserves, National Parks, Nature Reserves, Protected Environments, World Heritage Sites, Marine Protected Areas, Protected Forest Areas and Mountain Catchment Areas. The Act also aims to encourage community involvement in protected areas management with a multi-pronged approach that links human settlements, economic development and biodiversity conservation thereby making provision for Biodiversity Stewardship.

## **5.2 South Africa's Legal Framework**

### **5.2.1 *Constitution Act 108 of 1996*<sup>7</sup>**

In respect of the Bill of Rights included in the Constitution of the Republic of South Africa, 1996 (“the Constitution”), section 24 asserts the right to have the environment protected and to live in an environment that is not harmful to human health or well-being, and section 52 ensures the provision of services to communities in a sustainable manner, to promote social and economic development, to promote a safe and healthy environment. One of the legal instruments developed to ensure that this right is given effect to, is Environmental Impact Assessments (EIA), as detailed in the EIA Regulations (different sets of Regulations promulgated over time in terms of the ECA and NEMA).

The Constitution of South Africa states that “the public interest includes the nation’s commitment to land reform, and to reforms to bring about equitable access to all South Africa’s natural resources” and that “the state must [...] foster conditions which enable citizens to gain access to land on an equitable basis”. The Constitution further elaborates that everyone has the right (a) to an environment that is not harmful to their health or wellbeing; and (b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative

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<sup>7</sup> To address the consequences of the legacy of apartheid with respect to land, the South African Constitution included the following three clauses: (i) A person or community dispossessed of property after 19 June 1913 as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to restitution of that property, or to equitable redress. (ii) The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis. (iii) A person or community whose tenure of land is legally insecure as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to tenure which is legally secure, or to comparable redress.

and other measures that— (i) prevent pollution and ecological degradation; (ii) promote conservation; and (iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development. In addition, “the public interest includes the nation’s commitment to land reform, and to reforms to bring about equitable access to all South Africa’s natural resources”.

### ***5.2.2 National Environmental Management: Protected Areas Act 57 of 2003***

National Environmental Management: Protected Areas declares its objectives as “to promote sustainable utilisation of protected areas for the benefit of people, in a manner that would preserve the ecological character of such areas; and to promote participation of local communities in the management of protected areas, where appropriate.” According to this legislation, the purposes of the declaration of areas as protected areas include assisting in ensuring the sustained supply of environmental goods and services; providing for the sustainable use of natural and biological resources; creating or augmenting destinations for nature-based tourism; managing the interrelationship between natural environmental biodiversity, occurring in South Africa, human settlement and economic development.

Among the purposes of the declaration of protected areas the Law mentions the protection of ecologically viable areas representative of South Africa’s biological diversity and its natural landscapes and seascapes in a system of protected areas, preservation of the ecological integrity of those areas and conservation or biodiversity in those areas. In addition, the Law stipulates the purposes of assisting in ensuring the sustained supply of environmental goods and services, providing for the sustainable use of natural and biological resources, creating or augmenting destinations for nature-based tourism. The Law also mentions the purpose of managing interrelationship between natural environmental biodiversity, human settlement and economic development and contributing to human, social, cultural, spiritual and economic development.

### ***5.2.3 National Environmental Management Act 107 of 1998***

**The National Environmental Management Act (Act No. 107 of 1998), as amended (NEMA) requires that the potential impact on the environment, socio-economic conditions, and cultural heritage of activities that require authorisation or permission by law must be considered, investigated and assessed prior to implementation, and reported to the relevant authority.** The EIA Regulations (Government Notice R. 327) promulgated in terms of NEMA, identifies a suite of activities, which “*could have a substantial detrimental effect on the environment*”. The listed activities identified require an EA from the competent national or provincial authority prior to commencement of the activity.

### ***5.2.4 Environmental Impact Assessment Regulations, 2014.***

Environmental authorization under NEMA follows the Environmental Impact Assessment Regulations (GN R. 982, 4 December 2014) pertaining to environmental impact assessments under sections 24(5), 24M and 44 of NEMA. Listing Notices GN R. 983, R. 984, R. 985 of 4 December 2014 define activities that could have a negative impact on the environment that must be investigated and reported following either the Basic Assessment report (regulation 19) or Scoping and Environmental Impact Reporting (S&EIR) procedures (regulations 21 to 24). Listed activities may not commence without an environmental authorization from the competent authority.

The EIA process is outlined in the Environmental Impact Assessment Regulations and Listing Notices aimed at implementing chapter 5 of the NEMA. The Regulations provides for listing of activities which may not commence without an environmental authorisation and also identifies a process and reports to be submitted to the Competent Authority for decision making purposes. The process provides the proponent with an opportunity to assess the potential environmental impacts of the proposed development as well as provide for identification of mitigation measures to be in place to ensure that environmental impacts are avoided, minimised or mitigated. Key to this process, is the public participation element, which is also legislated. It forms the integral part of the EIA process and comments and inputs from the interested and/or affected parties are taken into consideration by the competent authority when making decisions on applications. The purpose of the EIA Regulations, 2014, as amended, is to regulate applications for EA, subjected to environmental impact assessment, to avoid or mitigate detrimental impacts on the environment, and to optimise positive environmental impacts.

Activities that may result in substantial impact to the environment have been identified and which require environmental authorisation by following the EIA process. The EIA Regulations require that an EIA process be undertaken for these activities and submitted to the competent authority for consideration. Commencement with any of these identified activities prior to obtaining authorisation from the relevant competent authority is prohibited by these Regulations and constitutes an offence.

### ***5.2.5 National Environmental Management: Biodiversity Act 10 of 2004***

The Act provides for the management and conservation of South Africa's biodiversity within the framework of the National Environmental Management Act, 1998; the protection of species and ecosystems that warrant protection; the fair and equitable sharing of benefits arising from bioprospecting involving indigenous biological resources; the establishment and functions of a South African National Biodiversity Institute; and for matters connected therewith.

### ***5.2.6 Conservation of Agricultural Resources Act 43 of 1983***

An Act to provide for control over the utilization of the natural agricultural resources of the Republic in order to promote the conservation of the soil, the water sources and the vegetation and the combating of weeds and invader plants; and for matters connected therewith.

### ***5.2.7 National Forest Act, 1998 (Act No 84 of 1998)***

Natural forests and woodlands form an important part of that environment and need to be conserved and developed according to the principles of sustainable management. In terms of section 7(1) of the National Forests Act, 1998, no person may cut, disturb, damage or destroy any indigenous tree in, or remove or receive any such tree from, a natural forest except in terms of :- (a) license issued under subsection (4) or section 23; or (b) an exemption from the provisions of subsection (4) published by the Minister in the Gazette. Regulations associated with the national Forests Act were published as Government Notice No. R466 (29 April 2009).

The Act is enforced by Department of Agriculture, Forestry and Fisheries (DAFF) <http://www.daff.gov.za/>. 4.2.5 World Heritage Convention Act, 1999 (Act No, 49 of 1999) This Act incorporates of the World Heritage Convention into South African law, providing for enforcement and implementation of the World Heritage Convention in South Africa, the recognition and establishment of World Heritage Sites and the establishment of Authorities and the granting of additional powers to existing. organs of state; the powers and duties of such Authorities, especially those safeguarding the integrity of World Heritage Sites. This legislation also defines the procedures for the establishment of Boards and Executive Staff Components of the Authorities, integrated management plans and land matters in relation to World Heritage Sites.

### ***5.2.8 National Heritage Resources Act (Act No. 25 of 1999)***

The NHRA is the overarching legislation that protects and regulates the management of heritage resources in South Africa, with specific reference to the following Sections:

- Section 5: General principles for HRM
- Section 6: Principles for management of heritage resources
- Section 7: Heritage assessment criteria and grading
- Section 35: Protection of paleontological, archaeological and meteorite resources
- Section 38: Heritage resources management

The Act requires that Heritage Resources Authorities (HRAs), in this case SAHRA and NWPHRA, be notified as early as possible of any developments that may exceed certain minimum thresholds in terms of Section 38(1), or when assessments of impacts on heritage resources are required by other legislation in terms of Section 38(8) of the Act.

#### ***5.2.9 World Heritage Convention Act, 1999 (Act No, 49 of 1999)***

This Act incorporates of the World Heritage Convention into South African law, providing for enforcement and implementation of the World Heritage Convention in South Africa, the recognition and establishment of World Heritage Sites and the establishment of Authorities and the granting of additional powers to existing organs of state; the powers and duties of such Authorities, especially those safeguarding the integrity of World Heritage Sites. This legislation also defines the procedures for the establishment of Boards and Executive Staff Components of the Authorities, integrated management plans and land matters in relation to World Heritage Sites. On the 18th April 2011, the Minister of Water and Environmental Affairs approved the Integrated Management Plan of the iSimangaliso Wetland park in terms of section 26(4) of the World heritage Convention Act, 1999 that formalised the Zone of Influence representing a buffer zone around the area.

#### ***5.2.10 National Environmental Management: Integrated Coastal Management Act 24 of 2008***

To establish a system of integrated coastal and estuarine management in the Republic, including norms, standards and policies, in order to promote the conservation of the coastal environment, and maintain the natural attributes of coastal landscapes and seascapes, and to ensure that development and the use of natural resources within the coastal zone is [sic] socially and economically justifiable and ecologically sustainable; to define rights and duties in relation to coastal areas; to determine the responsibilities of organs of state in relation to coastal areas; to prohibit incineration at sea; to control dumping at sea, pollution in the coastal zone, inappropriate development of the coastal environment and other

adverse effects on the coastal environment; to give effect to South Africa's international obligations in relation to coastal matters; and to provide for matters connected therewith.

#### ***5.2.11 Restitution of Land Rights Act 2003***

In 1994, the first law to be passed by the first democratically elected parliament was the Restitution of Land Rights Act (Act 22 of 1994). This was done with the conscious acknowledgement that land justice is important to deal with the challenges of poverty, unemployment and inequality.

The Act makes provision for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices. To administer this task, the Act established a Commission on Restitution of Land Rights and a Land Claims Court. The Minister is authorised to purchase, acquire in any other manner or expropriate land or rights in land for the purpose of restitution awards.

#### ***5.2.12 Communal Property Association Act 1996***

The Communal Property Association (CPA) Act makes provision for communities to form juristic persons, to be known as communal property associations, in order to acquire, hold and manage property on a basis agreed to by members of a community. This must be done in terms of a written constitution. In some cases, Indigenous Peoples, such as the Khomani San, have some jurisdiction over National Parks under the auspices of the CPA.<sup>8</sup> The CPA is a form of collective trust allowed by the Communal Property Associations Act (No 28 of 1996) for use by communities that have benefited from land restitution under the Restitution of Land Rights Act (No. 22 of 1994).

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<sup>8</sup> In 1995, the ‡Khomani San community lodged a claim for the restitution of 400 000 hectares of land in the Kalahari Gemsbok Park. In December 1998, the Mier community, represented by the Mier Transitional Local Council, lodged its own land claim for land both inside and outside the Park. The claims were settled on 21 March 1999, with the official transfer of title to six Kalahari farms (approximately 34 728 hectares) to the ‡Khomani San Common Property Association (CPA). The CPA is a form of collective trust allowed by the Communal Property Associations Act (No 28 of 1996) for use by communities that have benefited from land restitution under the Restitution of Land Rights Act (No. 22 of 1994). Supplemental to this, in 2007 it was agreed that a further two farms (Sonderwater and Rolletjies – approximately 6 020 hectares) be transferred to the ‡Khomani San CPA.

### ***5.2.13 Other Land Reform Policy and Legal Frameworks, including those which impact Indigenous Peoples***

The creation of many protected areas in South Africa has often resulted in the forcible removal of Indigenous Peoples from their land, territories and natural resources. In the post-apartheid South Africa, two key pieces of legislation were developed to address these. They were: **the Restitution of Land Rights Act (1994)** and the **Land Reform White Paper**. Together they provided a framework that had three aims: land restitution, that is making it possible for people who were evicted from their land to get it back, land redistribution to address the racial inequality in land ownership, and redress. Once successful, the applicants either obtain land ownership or user rights based on the fundamental principle that the land cannot be resettled as it must stay under a conservation and tourism land use in perpetuity. Once settled, the community has to enter into a collaborative management - or co-management - agreement with the conservation agency mandated to manage the protected area. These partnership agreements between the state and local communities vary quite a bit, but all involved share responsibility for decision-making through power-sharing to varying degrees.<sup>9</sup>

Land reform also has a number of legal frameworks that back the LRBSI. These include the land reform policy and programmes such as:

- ***The Land Reform (Labour Tenants) Act*** (LTA) of 1996, which provides for the protection of the rights of labour tenants and gives them the right to claim land;
- ***The Extension of Security of Tenure Act (ESTA)***, of 1997, that aims to protect people who live on land with the consent of the owner or person in charge against unfair eviction and create long term tenure security through on-or-off-site developments assisted by a government grant and the landowner;
- ***The Communal Land Rights Act*** that was passed to provide for the administration of the land rights of the approximately 12,7 million people who use and occupy the former homelands;
- ***The Policy for the Recapitalisation and Development Programme*** of the Department of Rural Development and Land Reform that seeks to support black emerging farmers with the social and economic infrastructure;
- ***The Policy for the Integration of Environmental Planning into Land Reform and Rural Development Projects*** that outline the fundamental principles of how the conservation of functional natural resource systems can serve the needs of rural communities;

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<sup>9</sup> Land Claims in South Africa: It's About The Meaning of the Land, Not Just Money. The Conversation, August 2018.

- ***The Spatial Planning and Land Use Management Act (SPLUMA)*** that further ensures that the system of spatial planning and land use management promotes social and economic inclusions

### **5.3 World Bank Environmental and Social Standards**

ESS5 of the World Bank's Environmental and Social Framework (ESF) as applicable under GEF funded projects. ESS5 defines "restrictions on land use" as limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones

ESS5 requires that projects "To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use" by:

- providing timely compensation for loss of assets at replacement cost and
- assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

In accordance with ESS5, a PF must be prepared, accepted and disclosed publicly before the World Bank appraises the project where communities who might be affected by the project cannot be precisely identified prior to appraisal. Restrictions of access to natural resources within protected areas require Bank approved Plans of Action (PoA) at the implementation stage before enforcing the envisaged restriction of access. PoA must set out the specific measures taken to assist people deprived of access to the natural resources within parks and protected areas and implementation arrangements. PoA cannot be developed during preparation because the project activities leading to the restriction of access to natural resources will only be determined during project implementation.

As such, the PF is required to establish a participatory process to be applied in formulating and implementing limitations on land use. The PF describes the participatory process by which communities and project's authorities and other relevant agencies/organizations will jointly recommend land-use limitations and decide on measures to mitigate any significant adverse impacts of these restrictions. A restoration and mitigation plan of action, which describes specific measures to assist people adversely affected by the proposed restrictions, is part of the framework.



## 6. ELIGIBILITY

Project supported activities are not expected to result in physical relocation of persons or communities. The restrictions under the Project will only be put in place following extensive consultation and with communities seeking to enter into stewardship agreements as well as assessment of potential adverse impacts and planned mitigation measures. In terms of this PF, the term Project Affected Persons (PAPs) refers to those individuals and communities who will lose access to resources and/or livelihoods.

The PF applies to permanent or temporary physical and economic displacement resulting from restrictions on land use undertaken or imposed in connection with the Project's implementation. While the restrictions should be voluntary and determined in a participatory manner, individuals or groups within communities may be disproportionately impacted wherefore a Plan of Action must be prepared to identify the restrictions and potential losses that may be imposed. In this Project the following land use changes may take place:

- Land rights or land use rights restrictions through negotiated settlements with communities or property owners or those with legal rights to the land;
- Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights; and
- Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas.

In developing the Plan of Action for the biodiversity stewardship agreements, all rights and de facto uses of the land should be included to ensure a full inventory of potential impacts. Individuals, communities and households should include those:

- a. Who have formal legal rights to land or assets;
- b. Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; and
- c. Who have no recognizable legal right or claim to the land or assets they occupy or use.

Anyone involved in clearly illegal, unsustainable, and destructive activities that undermine the objective of the Project, in this case, non-local community members accessing the areas for illegal purposes such as logging and/or wildlife hunting, are not eligible to benefit from biodiversity stewardship agreements. However, where such users can be identified, the Plan of Action should include mitigation of illegal activities as outlined in the table below.

The eligible PAPs living within or in the vicinity of the project areas will be determined by participatory process, to determine the exact number and scope of impacts to be compensated by the project if deemed necessary. The initial screening indicates that there are no groups with identities and aspirations that are distinct from mainstream groups as defined under the Sub-Saharan Historically Underserved Traditional Local Communities (Indigenous Peoples) in the project area of influence, however, the relevance of this ESS7 will be further discussed and assessed during project implementation. Special consideration will be given to the vulnerable groups including the poor, ethnic minority groups, Sub-Saharan African Historically Underserved Traditional Local Communities, the landless, elderly, persons with disabilities, and female-headed households.

### Eligibility Criteria and Mitigation Activities

Eligibility Criteria of PAPs	Type of Impact	Potential Mitigating Activities in Plan of Action
(1) People living within Project areas	Total or partial restriction on resource use for livelihoods	<ul style="list-style-type: none"> <li>• Avoidance of inclusion of areas with community residences, or minimization of the impact to such areas</li> <li>• Proportional benefit sharing of and participation in management of the biodiversity stewardship agreement</li> <li>• Participation in community capacity development, skills development and business incubation</li> <li>• Support to improve livelihood opportunities promoted by the Project determined as beneficial by the community</li> <li>• Proportional benefit sharing in private sector engagement such as eco-tourism development</li> <li>• Inclusive consultation processes, including consultations with specific focus groups such as women, to ensure their views are adequately incorporated into benefits, mitigation measures, monitoring provisions, etc.</li> <li>• Availability of GRM</li> </ul>
(2) People living outside Project areas, but who rely on use resources inside the areas designated for biodiversity stewardship	Partial restriction on resource use for livelihoods	<ul style="list-style-type: none"> <li>• Identification of alternative resource use options involving participatory processes</li> <li>• Proportional benefit sharing of and participation in management of the biodiversity stewardship agreement</li> <li>• Participation in community capacity development, skills development and business incubation</li> <li>• Support to improve livelihood opportunities promoted by the Project</li> <li>• Proportional benefit sharing in private sector engagement such as eco-tourism development</li> <li>• Availability of GRM</li> </ul>
(3) People who live outside Project areas, but who belong to social groups with cultural or social assets inside areas designated for biodiversity stewardship	Partial restriction of access to cultural or social assets	<ul style="list-style-type: none"> <li>• Ensure continued safe access and realization of necessary rituals, protection of sites, and respect of cultural values</li> <li>• Availability of GRM</li> <li>• Include consultations to determine areas of use, access – so they can pinpoint areas of use</li> </ul>

(4) Any subgroup of people affected who are determined to have specific vulnerabilities	Any impact under 1, 2 or 3	<ul style="list-style-type: none"> <li>• Plan of Action to take into consideration the particular vulnerabilities and potential inability to benefit from the standard mitigation measures, whether vulnerability is based on age, gender, religions belief, persons with disabilities, Indigenous status (whether recognized or not), to ensure that no affected person is left worse off due to Project investments</li> <li>• Availability of GRM</li> </ul>
(5) Illicit users of natural resources in areas designated for biodiversity stewardship	Partial restriction on resource use for livelihoods	<ul style="list-style-type: none"> <li>• Identify the illegal use in the assessment conducted of impact</li> <li>• Where illicit users can be identified, Plan of Action should seek to transform illegal livelihoods through participation in community capacity development, skills development and business incubation</li> <li>• Engage in awareness raising of impact of illicit use and legal penalties for poaching and trade</li> <li>• Illicit users are ineligible for benefit sharing in biodiversity stewardship agreements</li> <li>• Availability of GRM</li> </ul>

## 7. PARTICIPATION

The Project will provide guidance to facilitate participation to ensure appropriate information is provided, in particularly through the existing park management and stakeholder engagement structures such as Park Forums and the People and Parks Programme as well as the Stakeholder Engagement Plan (SEP) for the project. This will raise awareness of ability for communities and individuals to participate in various Project activities as well as identify opportunities for increased biodiversity stewardship agreements – which may lead to restrictions.

The LRBSI has developed guidelines for a structured approach in identifying, developing and implementing biodiversity stewardship projects linked to the land reform programme. This approach promotes and ensures transparency and accountability to all parties involved. A four-step approach is followed, with Step 1 and 2 applicable to new projects while step 3 and 4 are applicable to both new and existing projects<sup>10</sup>:

- **Step 1 - Engaging the LRBSI:** this process starts with the communities in the land reform projects requesting to participate in the LRBSI. Such requests can come by way of a simple standard template in which the essential characteristics of the project are described;
- **Step 2 - Evaluating Requests and Decision Making:** initial screening and submission of applications for review;
- **Step 3 - Resource Mobilisation:** once approved projects are passed on to the LRBSI government partners or other state institutions at provincial level. Resources may now be mobilised from various public entities and other relevant institutions and departments, or a combination of these; and
- **Step 4 - Implementation:** LRBSI coordinates implementation in partnership with communities and project implementation partners, which can be parastatals, NGOs, the private sector or any other suitable and interested parties.

The LRBSI guidelines emphasises the importance of project preparation, defined as the total set of actions that need to be undertaken to get a project ‘implementation ready’. In order for project models to be successful, eight fundamental elements need to be considered and adhered to, including the following<sup>11</sup>:

- **Selection** - projects must be carefully selected for inclusion in the LRBSI.
- **Preparation** - before implementation can start projects have to be carefully prepared so it is clear to all what the objective(s) of the projects are. All the relevant stakeholders must be engaged as per Stakeholders' Engagement plan (SEP) for this project, and the necessary resources mobilized. Land issues must be clarified. Implementing Partners who can start working with the community at an early stage are also identified.
- **Planning** – projects with economic development potential require a business plan in addition to an implementation plan. The business plan must state the overall vision of

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<sup>10</sup> Draft Guideline Document: Unlocking Sustainable Economic Development Potential on Land Reform Projects that are located in Areas of Biodiversity Importance (SANBI, 2013).

<sup>11</sup> Ibid.

the project or business venture with clearly defined conservation goals and objectives that do not compromise biodiversity conservation. The business plan should be thorough and contain the level of detail necessary for implementation.

- **Capacity building** - capacity building is important to assist with refining skills development for community members who would like to engage in new enterprises and alternative livelihoods offered by the project. It is central to any enterprise: this is particularly true for local communities to whom the venture is a new idea. Examples of possible topics include: business and business administration, environmental management and other business-related skills. This can be done through training, mentoring, apprenticeships or internship arrangements. Training and capacity building should at least be at a basic level and streamlined to the whole community for all to understand what value they can add to the business. Community members can therefore actively participate from the planning stage, through the project/enterprise development and to the operational stages. It is also equally important to ensure the project includes training led by local communities on local practices and traditional knowledge so that the project can incorporate longstanding practices that may be beneficial to environmental and social sustainability.
- **Clear ownership and control** - it is important to ensure that the communities understand their rights and ownership to the land that they obtain, and the requirements for keeping that land. Shareholding of the business entities should be clearly defined with a clear process outlined on how decisions are made in line with the business model applicable to the project. Decision making should in general be made at equal levels with equal representation (where appropriate) from all parties involved in the initiative.
- **Partnerships and the involvement of other parties** - Multi-sector strategic input from other stakeholders with the appropriate experience should occur in an organised and systematic manner. Long term commitments in terms of resources and capacity building should be encouraged. Government involvement will often be necessary to provide the legal and physical framework for development, for example, by building the underlying infrastructure for business development and by including the community plan into Local Economic Development (LED) and Integrated Development Plans (IDPs) for the area. Government institutes may also act as brokers that bridge the gap between the community and business partners.

In communities which are interested in continuing with the biodiversity stewardship, participatory discussions including awareness-raising through information sessions and getting initial feedback from communities will take place before starting formal consultations and negotiations. This PF shall be used along with the SEP to advance the consultation activities. Participatory discussions that will be undertaken will take the form of community meetings, informational presentations and dissemination of informational materials, among others. The participatory process will entail the following:

- i. Open dialogue, exchange, mutual learning, with space for women and other groups to be able to also meaningfully participate and be heard.
- ii. An ongoing process, with subprojects developed to support alternative livelihoods within the communities where dialogues and learning events among the participating communities will be undertaken. The Project will support the local leaderships when

developing training mentoring of community leaders. Community leaders will also play a key role in supporting the implementation activities; and

- iii. Consultations will entail meetings and focus groups discussions to address potential adverse impacts of biodiversity stewardship and to discuss the traditional practices that could be supported by the project. The communities will be informed about the potential access restrictions in workshops, community meetings and focus groups, ensuring that vulnerable groups can participate, including equal access and voice for women. The result of the information collected will be considered in the design of activities and in the planning, materials prepared for the project.

All individual PAPs must be consulted to identify project adverse impacts and to establish the eligibility criteria for compensation measures. The Project will work with PAPs and representative of local community organizations, local leaders to define the eligibility criteria for project assistance and to define a cut-off date in a participatory manner, once they are identified (as per the process outlined above).

The project participatory process will involve consultation with community representatives in areas where people might be affected by project activities. Local community organizations will identify the numbers of PAPs, the type of impact and their eligibility to participate in alternative livelihoods activities or be compensated for losses. Concerns of communities and suggestions to address them will be discussed at public meetings with the PAPs, so that informed decisions can be made about the options available to them. Mitigating strategies will be based on the promotion of alternative livelihood initiatives, capacity building of self-help organizations and community based defined productive activities.

## **8. POTENTIAL IMPACTS AND MITIGATION MEASURES**

The Project is designed to increase the biodiversity conservation benefits to local communities that they want and have agreed to, and its valuable biodiversity. In South Africa, there is a priority on providing assistance to land claimants as well as the broader community wherefore a number of benefits can be tailored to mitigate impacts arising from expanding biodiversity conservation and thus introduce restrictions. The Project activities will include (i) build biodiversity economy nodes for community stewardship and livelihoods; (ii) grow the biodiversity economy nationally to enhance communities' stake in wildlife conservation; and (iii) project management and monitoring.

The initial screening indicates that there are no groups with identities and aspirations that are distinct from mainstream groups as defined under the Sub-Saharan Historically Underserved Traditional Local Communities (Indigenous Peoples) in the project area of influence, however, the relevance of this ESS7 will be further discussed and assessed during project implementation.

The project is expected to lead to a higher number of households in selected PA landscapes with increased monetary and non-monetary benefits from the biodiversity economy. It is expected that the Project will have positive social and environmental benefits at local, national, regional and global levels. At the local level, direct Project beneficiaries include communities and their members in targeted landscapes, and particularly: individual entrepreneurs, small, medium and micro-sized enterprises, community-based organizations, such as co-operatives, communal property associations, and community trusts. Benefits are expected to include

improved access to skills training for business development, finance and markets, improved local governance, and subsequently more profitable community or individually-owned businesses and increased household income.

Benefits are derived from strengthened cooperation in managing ecosystems and overall better managed habitats. Casual labour and other livelihood opportunities will be created to benefit local communities.

The poor, elderly, women, and persons with disabilities in the local communities are likely to be particularly vulnerable as they are often more heavily dependent on agriculture, forest products collection and have less diversified income sources. In order to ensure that the effects on vulnerable groups are minimized, if not avoided, the Project will first ensure they have access to Project related information including livelihoods assistance in a culturally appropriate format and language; and secondly, alternative livelihood activities carried out in communities will ensure the inclusion and participation of vulnerable groups. To ensure women participate in the project, livelihoods support will be directed towards the affected household rather than just the affected person. Women will be able to apply for alternative livelihood assistance that they lead and manage.

### **Potential impacts**

It is not possible at this stage to determine the potential number of PAPs given that the areas that may be eligible for funding have not been identified. The exact impact from restrictions will be determined based on identification of the specific sites where the projects activities will be implemented. However, potential areas have been assessed and restrictions that may be imposed can be managed or mitigated. Potentially affected communities will be involved in identifying any adverse impacts, assessing the significance of the impacts, and establishing criteria for eligibility for mitigation measures. This will be documented in a “Social Impact Assessment” that will inform part of the Plan of Action. The social assessment will capture direct and indirect impact, livelihood status, list the PAPs and the impacts they are expected to experience, as well as vulnerabilities amongst PAPs and mitigation options and it will be completed prior to commencement of restriction.

The Biodiversity Stewardship Initiative and the LRBSI have a structured approach to screening and assessing potential project prior to the planning and implementation phases commence. This initial step allows for the choosing of the most suitable projects and provides a profile of any particular projects in terms of its strong and weak points, and how the latter can be improved. The LRBSI Guideline Document and associated matrix present a base criteria for biodiversity assessment as well as social, economic and institutional factors that are considered crucial for the successful implementation of LRBSI priorities. The Guidelines outline steps for identifying projects using spatial data, an evaluation matrix and field verifications.

### **Mitigation of impacts**

Mitigation measures against anticipated social and economic impacts of Project activities will be developed under this Project in consultation with local communities in careful consideration of their needs. The mitigation measures shall follow objective and requirements stated in ESS5. The Project will work in close consultation with national, provincial and local governments, NGOs, local communities, Project Affected Persons (PAPs) and their community organizations. The local organizations include pastoralist and farmers associations, popular committees, village committees, traditional leadership, women, youth, elder councils and other community associations.

The Project will also ensure alignment of proposed mitigation measures with the requirements and stipulations of the *Norms and Standards for the Management of Protected Areas in South Africa*<sup>12</sup>, as well as in terms of EIA Regulations (Government Notice R. 327) promulgated in terms of NEMA which identifies a suite of activities, which “*could have a substantial detrimental effect on the environment*” as well as the World Bank Environmental and Social Framework (ESF) and the relevant Environmental and Social Standards (ESSs). The listed activities identified require an EA from the competent national or provincial authority prior to commencement of the activity.

While developing mitigation measures it is important to:

- Consider beneficiaries as equal partners and stakeholders in the management of forest resources for whom their views will be considered and respected;
- Observe beneficiaries’ information requirements of vulnerable members such as women; elderly, disables and orphans.
- Approach various local organizations (interest groups) that may differ from place to place; and
- Recognize that engaging local communities is a time-consuming process and that it requires time, consistency and a good planning and should be integral part of the overall SEP process

Community members facing access restriction will be supported to mobilize themselves in order to identify viable livelihoods activities in a participatory manner. The approach will help to ensure there is equity in the process and that all affected users including vulnerable groups have the opportunity to become involved in and benefit from assistance provided by the Project. Once eligible people for assistance support due to land and resources use limitations are identified in a participatory process, activities will continue as follows:

- PAP assessment that will assist to map out their own resources and assets, identify and diagnose constraints and impacts due to access restrictions from household to community level, and identify the required support;
- Define the training and capacity building to sustain their affected livelihoods and way of transitions to alternative livelihoods; and
- Define of co-management arrangements and alternative livelihood activities to be supported including pertinent training.

Mitigation measures could include the following, among others:

- Give priority to employment of local people where possible;
- Identify and support the welfare and cultural identity of affected local communities;
- Create conditions for training and facilitate inclusion of PAPs in the various types of business that the project will promote:

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<sup>12</sup> Norms and Standards for the Management of Protected Areas in South Africa - National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 200).



- Tourism: hospitality, marketing, tourism activities, services to the tourism industry (chefs, electricity technicians, etc.);
- Game ranching: animal husbandry, veterinary services, game processing, etc.;
- Forest products: commercial forestry, veld and non-timber forest products;
- Agriculture: agronomy, post-harvest management, processing and commercialization;
- Business services: IT (consulting, services, software development and programming;
- financial services (including insurance brokers, accounting and tax consultant firms); and advertising, communications and marketing; and
- economic activities mostly relevant for women.

## 9. PLAN OF ACTION

The Plan of Action includes the Social Impact Assessment describes the nature and scope of any restrictions, their anticipated social and economic impacts, the people eligible for assistance, and the specific measures to mitigate the impact. The Plan of Action is to be submitted for World Bank approval during project implementation and before any enforcement of restrictions. The Plan specifies the timing of the imposition of restrictions and describes the scope of and methods for monitoring the extent and the significance of adverse impacts and the effectiveness of measures designed to assist PAPs and maintain the sustainability of the conservation area. As a general principle, these arrangements should include opportunities for the affected population to participate in monitoring activities. A protected area management plan can serve as the Plan of Action, provided it adequately covers the appropriate topics.

The Plan of Action will be based on the PF process and prepared jointly with the PAPs and key stakeholders. The Plan of Action should include succinct descriptions of, but not limited to, the following:

- Description of agreed restriction with extent and time frame;
- Background of the socio-economic status of the community;
- Boundaries of the access restricted land/resources;
- Detailed description of social and economic impacts (social impacts assessment) that will be imposed on the community/stakeholders affected by access restriction;
- Impact mitigation measures to assist access restricted affected community/individuals/ stakeholders with time bound and financial sources, including special measures concerning women and vulnerable groups;
- Roles and responsibilities of implementers, collaborators, community, stakeholders, etc. and capacity building plan (of the implementing agencies, community, stakeholders);
- Grievance Mechanism (GM); and
- Result indicators and participatory monitoring and evaluation arrangements.

## 10. INSTITUTIONAL ARRANGEMENTS

Implementation of the project activities will be led by the Department of Environment, Forestry and Fisheries (DEFF) as the project Executing Agency for the Government of South Africa. DEFF is mandated to provide leadership in environmental management, conservation and protection towards sustainability for the benefit of South Africans and the global community. Implementation of the project will be overseen by a joint Project Oversight Committee (POC). The joint (POC) will be chaired by DEFF and will include representation from relevant government agencies and civil society organizations involved in implementing and/or co-financing the project.

The project will be managed through a Project Management Unit housed in DEFF. While implementation of the activities in the three biodiversity economy nodes, will be through the three Sub-Executing Agencies – South African National Parks (SANParks), South African National Biodiversity Institute (SANBI) and iSimangaliso Wetland Park Authority, responsible for delivering on the desired intermediate results. Delivery on the subcomponent objectives will be coordinated by the three project node coordinators hosted by the sub-executing agencies, SANParks and iSimangaliso Wetland Park Authority.

Full-time Safeguards Officers in the PMU will support the Project Node Coordinators to implement the project safeguards and minimize risks. The following contract posts will be in the PMU:

- Project Manager (with M&E)
- Financial Management Specialist
- Administration Officer (support on reporting, meeting logistics, travel, media liaison)
- Procurement Officer (part-time)
- Safeguards Officers (Environmental Officer and Social Officer)

As one of the sub-executing agencies, SANBI will also oversee work in the Eastern Cape project node on community stewardship and livelihoods, to be undertaken by the provincial conservation authority, Eastern Cape Parks and Tourism Authority (ECPTA). In the Greater Addo-Amathole Node in the Eastern Cape Province, project activities will thus be carried out both by the Addo Elephant National Park (through SANParks Head Office) and by ECPTA (through SANBI), with the work connected through landscape level coordination and investment planning across the entire node. The Project Node Coordinator will be contracted by SANParks, and will be based at the Port Elizabeth office of SANParks, but will service the entire node, including areas where ECPTA is working with local communities around the Great Fish River Nature Reserve, and conducting stewardship outreach in the surrounding landscape.

In the Greater Kruger-Limpopo Node, activities will be carried out by the Kruger National Park (through SANParks Head Office) in the project node, guided by the wider Greater Kruger Strategic Development Framework, and in partnership with a wide range of government agencies, civil society and private sector partners, including traditional authorities and the Limpopo Economic Development, Environment and Tourism (LEDET) department of provincial government. The Project Node Coordinator will be contracted by SANParks and based at the Skukuza office of SANParks. In the Greater iSimangaliso Node, activities will be carried out by the iSimangaliso Wetland Park Authority in the buffer of the park and the node area in the northern half of the Park, in partnership with a wide range of stakeholders, including traditional authorities, local government, private tourism operators and the provincial

conservation authority, Ezemvelo KwaZulu-Natal Wildlife (EKZNW).

The Results Framework (RF) will guide day-to-day M&E and also evaluation analysis and reporting at midterm and completion. DEFF as the Executing Agency, through the Project Management Unit, has the overall responsibility for coordinating M&E and ensuring that data and information are produced on time and to the necessary quality. This includes timeous liaison and follow up with the three Sub-Executing Agencies who will need to submit information and data to the PMU every 6 months. This submission process will be facilitated by the three Project Node Coordinators, whose terms of reference will include producing regular landscape-level activity reports that will inform project-level M&E, in conjunction with their hosting agencies (SANParks and iSimangaliso).

Under the subcomponent, which supports the development of biodiversity stewardship agreements project stewardship facilitators will be engaged in the relevant conservation agency in the respective project node, supported by the project node coordinator, to develop the PF Plan of Action. SANBI will provide expert advice and supervision for development of the stewardship agreements. Besides government agencies responsible for ensuring implementation of the PF, community institutions will be engaged in guiding and enforcing the PF at local level. An annual auditing along with ESMF will be conducted to ensure compliance with the PF.

### **Monitoring and Evaluation Arrangements**

The objectives of monitoring implementation of the PF are to:

- Ensure that the governing established and tasked, *inter alia*, with implementing the PF are performing their duties adequately and if not, to ensure their capacity is built to do so
- Ensure that the actions taken to resolve conflicts
- Conduct a final evaluation of whether or not the PAPs identified have been affected in such a way that their living standards are equal or higher than before the project

The PMU will ensure due diligence in monitoring and evaluation of the implementation of the PF. The PMU will report on Project performance based on the field visits and implementation reports to the Steering and Technical Committee of the Project.

Definitive indicators and milestones of success will be developed in a participatory manner. Indicators will form part of the Plan of Action and be used to determine the status of livelihood of affected communities. Indicators should align with result indicators under the Project to the extent possible.

The Plan of Action will be considered successfully implemented if affected individuals, households and communities maintain their project standard of living or improve on it, and local community support is built and remains supportive of the project.

Where Plan of Actions are developed and implemented, an audit, proportional to the identified impact, will verify delivery of entitlements and mitigation measures as part of completion.

## 11. PUBLIC CONSULTATIONS AND GRIEVANCE MECHANISM

Stakeholder engagement is one of the central concepts of the Project. There has been several meetings and consultations between DEFF and the World Bank, and DEFF and key stakeholder institutions and communities to discuss project design and locations of key infrastructures. The level of stakeholder risk for the Project is considered substantial given the ongoing and in-depth stakeholder engagement and closing the feedback loop which is going to be required in the three nodes, to ensure fair and equal benefit sharing agreements and reduce the likelihood of conflicts arising within individuals and communities, as well as posing restriction of access to the project areas. Stakeholder engagement remains critical to the project's success. High expectations as to what the Protected Areas can deliver may lead to frustration with project results, including from actors involved in land claims, a sensitive political issue. Simultaneously, local stakeholders in many instances demonstrate negative perceptions about protected areas. The Project intends to help conserve natural habitats and wildlife of global value, while allowing the realization of the economic potential for social development of these natural assets.

In February 2019, the World Bank undertook a site visit to the Mozambican and South African components of the Lubombo Transfrontier Conservation Area (TFCA) to discuss TFCAs as a strategy for rural development, conservation and regional cooperation in Africa. The trip included a site visit to parts of the iSimangaliso Wetland Park, meetings with the iSimangaliso Wetland Park Authority (IWPA) and other key role players, and meetings with key beneficiaries of the Park's Rural Enterprises Development Program (GEF-funded Development, Empowerment and Conservation in the Greater St Lucia Wetland Park and Surrounding Region Project).

On 24 March 2019, DEA (now DEFF), SANParks, iSimangaliso Wetland Park Authority and SANBI were invited to a GEF 7 Partners meeting in Johannesburg. The purpose of the meeting was for the World Bank team to present the status of project preparation and give a summary of the feedback received from the internal World Bank Management during the Project Concept Note review meeting held on 20 February 2019. Following the aforementioned, DEA and its implementing agencies were requested to provide their perspective the proposed project as well as feedback on progress made in this regard.

On 25 June 2019, a roundtable discussion was held on the GEF 7 *Biodiversity Economy and Inclusive Business around Protected Areas in South Africa* project in Johannesburg. The objectives of the roundtable discussion were to strengthen knowledge about business opportunities linked to the Biodiversity Economy among key stakeholders in South Africa, provide inputs for the preparation of the GEF-financed project: *Rural Development for Biodiversity Conservation around Protected Areas in South Africa*, and strengthen partnerships for implementation of the project. This event was attended by a range of current and potential project partners including DEFF, SANParks, iSimangaliso Wetland Park Authority, National Department of Tourism, WWF, Tourism Conservation Fund, Vumelana Advisory Fund, Raizcorp, Investec, Endangered Wildlife Trust (EWT), Conservation South Africa (CSA), Meat Naturally, Tourvest, Airbnb, Anglo American, and the World Bank.

On 15 July 2019 the inaugural GEF 7 Project Steering Committee (PSC) meeting was held in Pretoria. This meeting was followed by the inaugural meeting of the Working Group for GEF 7 Pillar 2: Biodiversity Economy, which was attended by representatives from DEFF, SANParks, iSimangaliso Wetland Park Authority, SANBI and the World Bank. The second Project Steering Committee meeting and Working Group meeting for Pillar 2 were held on 23

August 2019 in Pretoria. These meetings were also attended by representatives from DEFF, SANParks, iSimangaliso Wetland Park Authority, SANBI and the World Bank.

A South-South-Knowledge-Exchange visit to the Zambezi Region of Namibia was undertaken from 14 to 18 October 2019. The purpose of this visit was for GEF 7 Partners to learn from the Namibia Community Conservancy Programme and identify areas and components that may be relevant to the design of the Biodiversity Economy component (Pillar 2) of the project. The visit was attended by South African representatives from DEFF, SANParks, iSimangaliso Wetland Park Authority, SANBI, People and Parks Programme, and People and Parks Youth Programme. The visit was arranged by the Namibian Ministry of Environment and Tourism in Partnership with NACSO and IDNRC.

A planning and integration meeting between GEF, DEFF, SANParks, SANBI, World Bank, and UNEP was held at the Global Wildlife Programme International Conference on 30 October 2019. The purpose of the meeting was to discuss the design of Project Preparation Phase and obtain GEF's guidance on the structure and content of the Project Documents and key Annexes for Pillar 1 and Pillar 2 of the project.

On 11 December 2019 the 3<sup>rd</sup> GEF 7 Project Steering Committee meeting was held in Pretoria. This meeting was attended by representatives from DEFF, SANParks, iSimangaliso Wetland Park Authority, SANBI and the World Bank. The PSC meeting was followed by meeting to discuss the finance component of Pillar 2 of the GEF 7 project.

From 27 January 2020 to 7 February 2020 a World Bank Mission was undertaken to the respective project landscapes. The Mission commenced with a two day discussion in Pretoria to discuss the environmental and social safeguard aspects of the project, followed by a more detailed discussion on the components of the initiative on a landscape level. This two day session was attended by representatives from DEFF, SANParks, iSimangaliso Wetland Park Authority, SANBI and the World Bank. As part of the site visits to Addo Elephant National Park, Greater Fish Nature Reserve, iSimangaliso Wetland Park, and Kruger National Park various meetings were held with key stakeholders in the respective landscapes including key management staff members of the conservation agencies, community leaders, traditional leaders, land claimants, and representatives of the South African People and Parks Programme.

On 4 March 2020 the 4<sup>th</sup> GEF 7 Project Steering Committee meeting was held in Pretoria. This meeting was attended by representatives from DEFF, SANParks, iSimangaliso Wetland Park Authority, SANBI and the World Bank. The PSC meeting was followed by meeting to discuss the finance component of Pillar 2 of the GEF 7 project.

The Project will adopt full consultation and stakeholder participation and will be guided by the SEP during the preparation and implementation phase for relevant project components. During project sites selection process communities, local authorities and CSOs will be consulted about benefits and potential impacts. A Social Impact Assessment will be carried out in target areas where potential impacts on communities are likely. At least two public consultation meetings will be conducted. Project activities, resulting impacts and mitigation measures will be presented during the first meeting. Then, the second public consultation meeting will be conducted to determine whether there is support for the project activities and mitigation plans.

Prior to consultations, DEFF will send notice to the stakeholders informing that consultation will be conducted to inform of the project activities and to determine potential adverse impacts as well as possible support from the project to address potential impacts. The notice will request that communities invite to the meeting representatives of farmers, women association,

community leaders, vulnerable groups and/or other groups as necessary. During the visit, stakeholders will present their views with regards to the proposed activities.

During the consultation, detailed mitigation measures would be determined on support to offset possible impacts under the project. Further, a grievance mechanism to address concerns and complaints will be established to ensure affected people can voice their concerns. The project's GM will be designed to safely and ethically register complaints and address and document complaints and allegations (including those involving SEA/SH) during the project implementation. If a beneficiary community includes ethnic minority communities, consultations will discuss with them how their representatives and traditional structures will be included in the conflict resolution mechanisms. This will enhance cultural appropriateness, inclusiveness and community involvement of the ethnic groups in decision-making processes. The outcome of the consultations will be documented into the periodical reports and submitted to the World Bank for review. Consultations will also ensure focus groups with women (and led by women), as well as other vulnerable groups to ensure inclusive and effective participation. Monitoring during project implementation is crucial to ensure affected livelihoods are appropriately restored.

### **Grievance Redress Mechanism**

The Grievance Mechanism (GM) enables stakeholders and project affected people to discuss and solve problems through an acceptable, inclusive, accessible, transparent, independent and formalized mechanism for resolving conflict stemming from project implementation. The GM mechanism should focus on dialogue and problem solving as an intermediate way for stakeholders to discuss problems. The GM is expected to primarily address project conflicts among different forest users and regarding different forest uses. GMs seek to complement the legal system, not replace it. In case project stakeholders are unable to find resolution with the GM, they may seek their right (win-lose resolution) by submitting their case to legally provided formal dispute resolution mechanism through the local court system.

Besides the overall goal of dialogue and problem solving, the GM has several secondary objectives, as follows:

1. The GM will support the project implementation unit to have better and improved project outcomes by resolving related disputes effectively and promptly. The GM should serve as a project early warning system and capture grievances that expand into more complex conflicts, thereby attracting more parties and dealing with a higher number of issues or expanding of conflict to a larger area.
2. Communities dependent on natural resources and land use can be stimulated to get more voice in the project through the GM. The mechanism provides an opportunity to submit complaints and argue for improved conditions, which is an ultimate goal of the project. More importantly, communities will have an institutionalized channel to engage in dialogue with the implementation unit, government, CSOs.
3. The GM should become the first line of response of the project for PAPs. For example, they can acquire information about the project through the GM while of putting forward a grievance on having limited information about the project. In that way, communities will have a channel of communication to the project. This is important as it ensures dissemination of information to the local levels.

The GRM will be implemented on two levels:

- **National project implementation level** - to the PMU through the current system that is being used as part of the implementation of the EIA Regulations, which provides for any member of the public to raise concerns directly to DEFF; and
- **Landscape level through the following:**
  - **Greater iSimangaliso Wetland Park Node** – to the Node Coordinator through the systems and processes provided for by the iSimangaliso Wetland Park Overarching Environmental Management Programme (EMPr);
  - **Greater Addo to Amathole Node:**
    - **Addo Elephant National Park** – to the Node Coordinator through the existing Park Forum established to oversee the implementation of the Park Management Plan;
    - **Greater Fish Nature Reserve** - to the Node Coordinator through the existing Double Drift Co-management Committee established to oversee the implementation of the Double Drift Co-Management Agreement;
  - **Greater Kruger-Limpopo Node** - to the Node Coordinator through the existing Community Park Forums, Greater Kruger Co-operative Agreement, and Greater Kruger Strategic Development Plan.

At the beginning of the project implementation, the grievance committees will be established at national and nodal levels (as detailed above) to ensure that a system is in place to help resolve any grievances or complaints that may occur during and after project intervention. The grievance mechanism will be applied to persons or groups that are directly or indirectly affected by a project, as well as those that may have interests in a project and/or have the ability to influence its outcome either positively or negatively. The project will provide training and support to strengthen these existing structures for effectively and collectively dealing with possible grievances that may be raised by PAPs.

The project will ensure in consultations with stakeholders that grievance mechanisms are appropriate and acceptable. The GM is an essential part of the safeguard instrument to resolve complaints on the project activities. It should address concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the complainant persons. Generally, the GRM will ensure that (i) the public within project areas is aware of rights to access and shall have access to the mechanism free of administrative and legal charges, and (ii) concerns arising from project activity in all phases are addressed effectively. Such kinds of approach are useful, among others, to improve project outcomes, help to prioritize supervisions, identify systematic implementation issues and trends, and promote accountability through creating more predictable, timely and results-oriented responses to citizen concerns.

Grievances can be submitted by email, written letter, telephone, SMS and a suggestion/complaint box placed at the project activities sites and implementation unit branches, as appropriate. Support from non-governmental organizations, interest groups and other stakeholders is necessary for helping local land users submit their grievances. Grievances are assessed by subject-experts and project staff possessing substantial knowledge about natural resources management and conflict resolution. In relative difficult cases, an external expert can serve as a mediator in trying to reach agreement between disputing parties. If parties are unable to reach a resolution, they may submit an appeal to the project technical committee

to decide on the case. As a last resort, stakeholders can submit a formal complaint through the PMU.

In addition to the grievance mechanism itself, the project will develop a communication plan to inform the stakeholders about the existence of the GM and instructions of operation. The communication plan includes aspects of stakeholder-targeted communication channels, facilitators, multipliers and timelines.

Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures<sup>13</sup>.

## **12. Indicative Process Framework Budget**

The budget to implement the PF is estimated for each biodiversity conservation agreement and but will be relative to the number of PAPs included. The Project has budgeted for inclusion of the Project GRM and general stakeholder engagement, wherefore some staff expenditures are not reflected in the PF but PF implementation will be supported by project coordinated efforts.

On the node level, the PF will be implemented by project stewardship facilitators who will report directly to the project node coordinators. SANBI will provide expert oversight on development of stewardship agreements. The project stewardship facilitators will be responsible for PF specific:

- Grievance Mechanism
- Support the development of benefit sharing agreements
- Community participation in social assessment and development of the Plan of Action, as well as the M&E of the implementation

In addition to cost for project stewardship facilitators, budget must be set aside, as an integral part of the budget for the development of the stewardship agreements, to fund:

- Any physical resettlement
- Community capacity development, skills development and business incubation
- Development of alternative livelihood options/identification of alternative resource use options

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<sup>13</sup> Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For further information on how to submit complaints to the World Bank's GRS can be found on <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).



- Support for benefit sharing in private sector engagement
- Facilitation of safe access for communities rituals and protection of sits with cultural values
- Special investments made for PAPs with specific vulnerabilities to enable their participation and benefit in investments
- Awareness raising of impact of illicit use of natural resources

Indicative costs for implementation of the PF are:

Project stewardship facilitators	\$25,000/annum/area
SANBI supervision	\$10,000/annum/area
Plan of Action	\$20,000/area
Implementation of mitigation measures	TBD/site specific

## **Annex 1: The Biodiversity Stewardship (BDS) Program in South Africa**

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The Biodiversity Stewardship Program (a voluntary program) in South Africa provides an opportunity for communities to have their land incorporated as part of a state-owned national park or nature reserve, or a privately-owned protected area (PA). For example, in the case of the GEF7 project, a local community could ask the government to drop the fence in between the national park and the community-owned land located adjacent to the park so that it could be included in the conservation area. This, in turn, provides the community with opportunities to benefit – including through earning income – from the national park or PA. Such benefits could include a portion of revenue from park visitations (which now includes the communities' own land); traversing rights on communal land or into the park; free movement of wildlife to support community-based tourism or sustainable use (hunting) ventures; opportunities to own and operate tourism infrastructure such as a lodge; or rental agreements (usually with an annual fee per ha) from the national park/PA.

### **What is Biodiversity Stewardship?**

Biodiversity stewardship is an approach to securing land in biodiversity priority areas through entering into agreements with private and communal landowners to protect and manage the land for conservation purposes. This process is led by conservation authorities in South Africa and supported by conservation NGOs, and it recognises landowners as the custodians of biodiversity on their land. The objective of biodiversity stewardship is to conserve and manage biodiversity priority areas through voluntary agreements with landowners and communities. This may involve formal protection, management and restoration of terrestrial and aquatic ecosystems. Importantly, biodiversity stewardship contributes to several broader goals:

- Conserving a representative sample of biodiversity;
- Involving landowners and communities as stewards of biodiversity;
- Supporting the biodiversity economy, especially in rural areas;
- Rehabilitating and maintaining ecological infrastructure;
- Encouraging climate change adaptation and ecosystem-based mitigation; and
- Supporting sustainable development.

### **When was this introduced?**

In South Africa, Biodiversity Stewardship (BDS) began as a pilot in 2003 in the Western Cape Province. By March 2018, provincial biodiversity stewardship programmes had secured over 54,000 ha through the creation of 94 protected areas with long-term security. During the 2017-2018 financial year, BDS contributed approximately 107,854 ha to the National Protected Areas Expansion Strategy from Majority Provinces. Since 2016 there have been several large

declarations including (i) Mountain Zebra, 264,083 ha; (ii) Sneeuwberg, 16,208 ha and (iii) Greater Lakenvlei, 14,123 ha.

The BDS was initially supported under the Primary Environmental laws, the Convention on Biological Diversity (CBD) of 1992, the National Environmental Management Act (1998) plus other laws and international protocols. Subsequently, the legislation of 2016, 2017, and the guidelines of 2018 came in to reinforce the implementation of the program.

### **How in practice does this process work?**

Biodiversity stewardship is founded on several principles that are key to successful implementation. These include focusing on biodiversity priority areas to allow implementers to invest limited resources on the most important areas; requiring voluntary commitment from landowners, both private and communal; and fostering co-operative governance and the development of partnerships. Importantly, communities that participate in biodiversity stewardship arrangements retain ownership over their land through what is called a “Conversation agreement.”

Investing limited state resources on private or communal land requires some guarantee of the persistence of biodiversity on that land, as well as a formalised management relationship between the landowners/users and government. The use of contractual agreements to secure land is made possible through the legislative framework of the National Environmental Management: Protected Areas Act (NEMPAA), the National Environmental Management: Biodiversity Act (NEMBA) and South African contract and property law. Key to implementation is the fundamental landowner focus with dedicated landowner extension support. Biodiversity stewardship sites fall into three categories, viz. protected areas, conservation areas and biodiversity Partnership areas.

### **What are the benefits of biodiversity stewardship?**

Stewardship does not displace people from land, but rather encourages sustainable economic activity, built on wise use of natural resources. It is particularly effective in multiple use landscapes where biodiversity priority areas are embedded in a matrix of agricultural and other livelihoods. A significant benefit of adopting biodiversity stewardship is the cost saving to the state to meet biodiversity, protected areas and other environmental objectives. Stewardship approaches incur a fraction of the cost compared to the traditional way of acquiring and managing land as state owned protected areas. Biodiversity stewardship leverages private sector investment to achieve biodiversity, protected area and climate resilience objectives. The long-term benefit of biodiversity stewardship, particularly on communally owned land, includes guidance on and assistance for the sustainable use of natural resources on which communities depend for their livelihoods. Hence it is an underpinning factor in Biodiversity Economy (BE) implementation and achieving the goals of BE, which include the diversification of community livelihoods and protected area expansion.

## ANNEX 2: PROJECT AREA MAP

