

# **Sustainable Financing and Management of Eastern Caribbean Marine Ecosystem for the OECS Project**

## **Process Framework for Mitigating Potential Livelihood Impacts**

### **1. Project Summary.**

The objective of the proposed project is to contribute to enhancing the long-term sustainability of protected areas networks in the OECS region, by (i) establishing sustainable financing mechanisms; (ii) strengthening marine protected area networks; and (iii) deploying a regional monitoring and information system for protected area networks. The project would consist of four components. The first component, to which the bulk of project resources would be dedicated, would support the establishment of sustainable financing mechanisms for PAs in the participating countries. Lack of reliable and consistent sources of funding has been a significant obstacle to conservation in all participating countries. The project would help to alleviate this problem by combining donor funding and efforts to generate additional financing locally. The second component would support the consolidation, enhanced representativeness and resilience of Marine Protected Areas (MPA) networks and related activities. The third component would support the deployment of a regional monitoring and information system network. The fourth component would finance project management and coordination.

### **2. No Physical Displacement.**

During project implementation there will be no involuntary physical displacement or resettlement of persons from the selected protected areas being supported under the project. No involuntary physical resettlement is expected for conservation areas to be financed from the long-term sustainable financing mechanism.

### **3. Potential Impacts on Livelihoods and Project Strategy.**

Overall the project is expected to contribute to positive social outcomes relating, for example, to improved natural resource and environmental conditions and potential economic benefits to local populations from improved tourism, local involvement in PA management as well as expected additional or improved opportunities from park management and nature-related tourism, and other economic opportunities,

However, some livelihood activities could potentially be adversely impacted in marine protected areas such as limiting the fishing areas through zoning, limiting fishing catches, banning certain techniques or restricting certain types of fishing. In addition for marine areas, tourism operators and vendors, and resource extractors and harvesters (e.g. corals, sand, cockles), among others, may be negatively affected. For terrestrial protected areas, livelihoods that could potentially be adversely impacted include tourism operators and vendors, farmers, hunters, and resource extractors (e.g. timber, firewood, plants), among others. It should be noted that some restrictions may already currently exist in potential PAs but are sometimes not regularly enforced due to capacity issues.

Hence, due to the project's conservation strategy it will sometimes be necessary that persons or communities change some ongoing negative practices, such as limiting or restricting or prohibiting use of certain areas or resources. The project will address this issue by implementing **Sustainable Development Action Plans (SDAPs)** which will harmonize social strategy with conservation practices to offer sustainable alternatives to substitute damaging practices. SDAPs will be prepared yearly in accordance with this Process Framework that is consistent with the Bank's Operational Policy 4.12, Involuntary Resettlement. Accordingly, PAs annual programs will allocate resources to implement SDAPs activities.

#### 4. **Principles.**

a) **Minimizing Social Impact.** One principle that the project will adopt is to avoid negative social impacts as much as possible. Thus, the conservation strategy will take into account actual practices of resident and/or user communities in each PA compatible with conservation. Limiting access to natural resources and/or areas will be a last resort in the event that a specific fragile ecosystem is under threat, has limited capacity, or is particularly important for preservation purposes. This decision will be taken on the basis of technical and social analysis, and through consultations.

b) **Participation.** Extent, type and characteristics of restrictions are to be discussed and defined through consultation with stakeholders, with an emphasis on affected persons. Alternatives to address possible adverse social impacts should also be reached utilizing a participatory approach seeking consensus building. The Directorates of PAs, with assistance of social promoters, will carry out these consultations to seek agreement with communities and relevant organizations about the scope and pace of potential restrictions or changes, as well as to seek agreement about impact mitigation alternatives in order to complete the SDAPs. SDAPs will be reviewed by the PA administrative unit, as well as the country-level and regional management units, to be incorporated within the overall PA conservation strategy, to agree on measures to enforce agreements, and resolve possible conflicts.

c) **Re-establishing Socioeconomic Conditions.** The main goal of mitigation alternatives will be to re-establish or improve, wherever possible, previous socioeconomic conditions. As such, SDAPs could introduce sustainable production alternatives to replace damaging practices, providing training and technical assistance to accomplish this. Annual programs will allocate financial and technical resources to these activities.

d) **Target Population.** This Process Framework will apply to those persons and organizations that are directly affected by restrictive measures resulting from PA management plans, conservation strategy, or related programs for the selected PAs. Target populations are comprised of those who:

- Are subject to limitation of resources needed for their subsistence; and
- Suffer negative effects on the means of subsistence or productive activities.

e) **Respect to national laws.** This Process Framework applies regardless of the absence of legal titles or deeds. However, it does not apply to persons who carry out activities or actions classified as offenses under national laws.

f) **Respect for Cultural Diversity.** The definitions of restrictions to practices in PAs will take into account the cultural and/or ethnic diversity of groups involved in each selected PA. Traditional practices will be respected for consideration in PA management plans and SDAPs.

## 5. **Guidelines for Preparing Sustainable Development Action Plans (SDAPs)**

Under the guidance from OECS-ESDU, PA Directorates, with specialized support if necessary, will prepare SDAPs, consistent with the abovementioned principles. The SDAP will be comprised of the following.

a) ***Justification.*** The reasons for limiting access to and/or use of resources should be explained, including a description of the restricted area and/or resources to be limited.

b) ***Socioeconomic Analysis and Impact Assessment.*** SDAPs should include a definition of the PA's zoning restrictions to identify the target population. A socioeconomic diagnosis of the target population will be prepared including the main economic activities, social characteristics, customs, behaviors and existing organizations. The diagnosis should also include an estimate of the possible impacts including potential economic losses, changes in social organizations, restrictions to traditional practices, etc. This analysis will be prepared using available information and/or carrying out specific studies, as needed. Impact assessment should include consultation with the target population and directly involved organizations.

c) ***Alternative Assessment and Agreements.*** Seeking mitigation alternatives will be a participatory effort. PA Directorates and the target population will jointly analyze feasible alternatives, taking into account the affected population's needs and conservation strategy goals to reach an agreement. This agreement should include commitments and responsibilities on both sides, as well as provisions to avoid other groups overlooking restrictions.

d) ***Program and Budget.*** SDAPs should include an implementation program and budget for each one of the activities included. In any given year, SDAPs should be included in each PA's budget within the Annual Operating Plan for the project. Budget for SDAPs will be further discussed and clarified during appraisal.

e) ***SDAP Format.*** To facilitate the review and approval of SDAPs, it is recommended to use the following elements for the SDAP format:

- Location and description of protected area;
- Specific locations and descriptions of resources or areas where access or use will be limited;
- Reasons for access/use limitations;

- Identification and diagnosis of target population;
- Impact assessment of restrictions;
- Alternatives assessment and agreed solution with stakeholders;
- Applicable legal framework;
- Measures to prevent access or use of restricted areas or resources by other groups;
- Summary of the consultation process; and
- Implementation schedule and budget.

#### 6. **Financing**

SDAPs will be financed from Component 2, though specific PA budgets for selected PAs. Should additional studies, consultations, etc. be needed, the project will provide the required funding **through TO BE COMPLETED DURING APPRAISAL..**

#### 7. **Institutional Arrangements.**

The OECS-ESDU would be the lead executing agency for the project supported by TNC through a subsidiary agreement to execute Component 1 (establishment of a sustainable financing mechanism) and to support the execution of the other components. This arrangement maximizes institutional and systemic capacity by mobilizing the resources and complementary strengths of both TNC and OECS-ESDU, namely: TNC's expertise with Component 1-related activities, resources, and capacity, and OECS-ESDU's regional stature and MPA and GEF/World Bank project management experience.

The OECS-ESDU as the primary Grantee with the support of TNC would be responsible for ensuring that social and environmental safeguards are applied during project implementation. This would be done by building the safeguards into annual work plans (including the provision of training and technical assistance for the competent completion of SDAPs), reviewing SDAPs when they are produced, and monitoring the implementation of the safeguards. The OECS-ESDU has demonstrated the ability to perform this function through project implementation of the similar GEF OECS Protected Areas and Associated Livelihoods Project (OPAAL). Further, TNC practices building environmental and social safeguards in the design and implementation of projects that they carry out. Therefore, both organizations demonstrate the ability to implement and report social and environmental safeguards into the implementation of projects. The PA Directorates in each country in carrying out the design implementation and management of the PAs use best practices which include environmental and social safeguards.

#### 8. **Monitoring and Evaluation**

The project's M&E system will include process and outcome indicators for SDAPs, with particular attention to monitor the re-establishment of socioeconomic conditions of target populations, recovery of protected resources and areas, and effectiveness of enforcing restrictions.